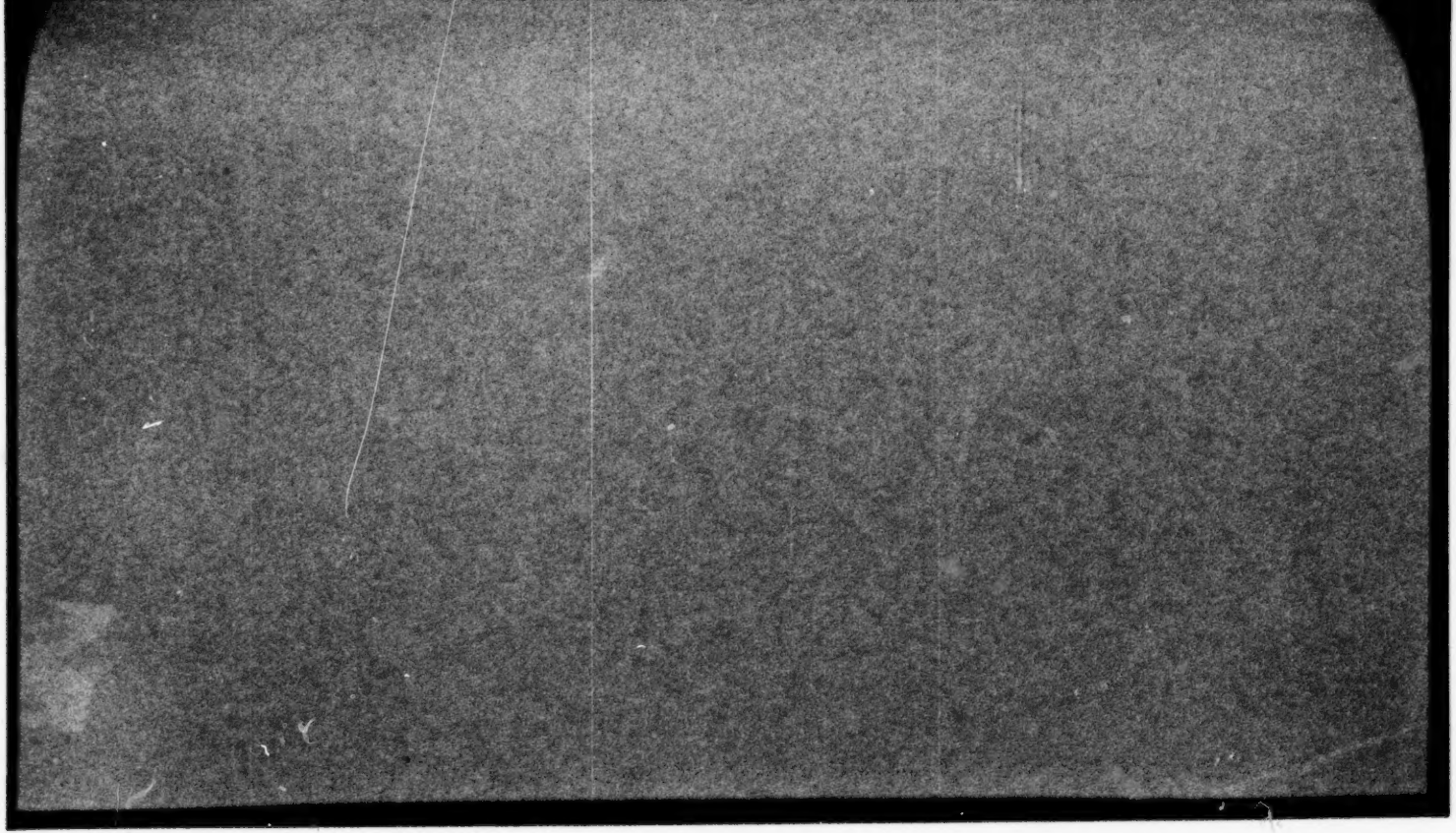
[redacted]

[redacted]

[redacted]



(32,536)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1927

No. 194

BARBER ASPHALT PAVING COMPANY, PETITIONER,

vs.

STANDARD ASPHALT & RUBBER COMPANY

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT

INDEX.

	Original	Print
Record from the district court of the United States, southern Illinois	1	1
Bill of complaint	1	1
Answer	8	6
Amendment to answer	15	13
Opinion, Humphrey, J., on issues of validity, etc.	1215	14
Decree	1217	16
Opinion, Fitzhenry, J., confirming master's report	2955	18
Decree	4676	40
Order allowing appeal	4684	41
Praecipe for transcript of record	4873	42
Clerk's certificate (omitted in printing)	4876	
Orders extending time	4877	44
Citation and service (omitted in printing)	4884	
Order re transcript	4913	48
Clerk's certificate (omitted in printing)	4959	
Proceedings in the United States circuit court of appeals, seventh circuit	4961	51
Clerk's certificate (omitted in printing)	4961	
Motion for separate hearings	4965	51

Judd & Detweiler (Inc.), Printers, Washington, D. C., July 21, 1927

	Original	Print
Notice of objections and motion to strike	4956	52
Motion to strike	4967	52
Objections to motion for separate hearings	4969	54
Order denying motion for separate hearings	4972	57
Motion for order remitting transcript	4978	58
Order setting hearing	4981	61
Stipulation re extension of time	4982	62
Orders extending time	4983	62
Addition to notice and motion	4984	63
Order remitting transcript	4985	64
Suggestions for dismissal	4989	65
Minute entry of motion to dismiss	4991	67
Minute entry of submission	4991	68
Opinion, Page, J.	4992	68
Judgment	4999	76
Petition for rehearing, etc.	5001	77
Minute entry of motion to stay mandate and vacate affirmance	5048	120
Order extending time	5050	120
Answer to petition for rehearing, etc.	5051	121
Order denying rehearing and denying motion to stay mandate and vacate affirmance	5132	196
Motion for stay of mandate	5134	197
Order staying mandate	5135	197
Notice of motion for order to transmit certain exhibits	5136	198
Motion for order to transmit certain exhibits	5137	198
Order to transmit certain exhibits	5138	199
Clerk's certificate (omitted in printing)	5139	
Order allowing certiorari	5140	200
Motion for order as to printing record	5141	200
Answer and counter-designation of parts of record to be printed	5146	202
Order granting motions for designated record	5151	204

[fol. 1]

IN UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF ILLINOIS

In Equity

STANDARD ASPHALT & RUBBER COMPANY, a Corporation, Complainant,

vs.

BARBER ASPHALT PAVING COMPANY, a Corporation, Defendant

Bill for Infringement of Letters Patent Nos. 635,429 and 635,430.

BILL OF COMPLAINT—Filed January 30, 1915

To the Honorable the Judges of the United States District Court for the Southern District of Illinois, in chancery sitting:

Your orator, the Standard Asphalt & Rubber Company, a corporation, brings this, its Bill of Complaint, against the Barber Asphalt Paving Company, for infringement of United States Letters Patent Nos. 635,429 and 635,430, and says and avers as follows—

I

That your orator, the Standard Asphalt & Rubber Company, is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, and having its principal office in the City of Chicago, State of Illinois, and its main works at Independence, Kansas; and that Barber Asphalt Paving Company, corporate defendant herein, is a corporation organized and existing under and by virtue of the laws of the State of West Virginia, and having a regular and established place of business in the City of Madison, State of Illinois, and has there an agent engaged in conducting said business.

II

That your orator is the owner of the entire right, title and interest in and to the said United States Letters Patent No. 635,429, on Process of Making Asphaltic Fluxes, dated October 24th, 1899, and United States Letters Patent No. 635,[fol. 2] 430, on Asphaltic Fluxes, dated October 24th, 1899, including any and all accrued rights of action on said patents, and that the said defendant, the Barber Asphalt Paving Company, in said Southern District of Illinois, to wit at its plant near Madison, Illinois, and elsewhere in the United States, unlawfully and illegally and without the consent of your orator, manufactured, used and sold products in infringement of said Letters Patent No. 635,429 and said Letters Patent No. 635,430, since the issuance of said Letters Patent and since the acquirement of title thereto by your orator, and within the six (6) years last past, and is now infringing and threatens to continue so to infringe each of said Letters Patent and to continually and unlawfully infringe the rights of your orator therein.

III

That heretofore and prior to the 21st day of February, 1898, George F. and George C. K. Culmer, then residents of Chicago, Illinois, were the original, first and joint inventors of certain new and useful improvements in process of making asphaltic flux and in asphaltic flux, not known or used by others in this country before their invention or discovery thereof, and which had not been patented or described in any printed publication in this or any foreign country before their invention or discovery thereof, or in public use or on sale in the United States for more than two years prior to their application for Letters Patent on said inventions.

That the said George F. and George C. K. Culmer, so being the inventors of said improvements in process of making asphaltic flux and in asphaltic flux, did make application in writing to the Commissioner of Patents in accordance with the then existing laws of the United States, and complied in all respects with said laws, and with the rules and regulations of the United States Patent Office, and thereafter, to wit on the 24th day of October, 1899, Letters Patent of the United States Nos. 635,429 and 635,430, were re-

spectively issued to George F. and George C. K. Culmer, as joint patentees, whereby there was granted to them, their heirs and assigns, for the term of seventeen (17) years from the date thereof, the full and exclusive right of making, using and vending to others to be used, the respective inventions described and claimed in said United States Letters Patent Nos. 635,429 and 635,430 respectively, as will appear from said original Letters Patent or duly certified copies thereof, in court to be produced. A copy of each of [fol. 3] said Letters Patent is hereto attached and marked "Exhibit A, No. 635,429" and "Exhibit B, No. 635,430."

IV

That subsequently to the issuance of said Letters Patent Nos. 635,429 and 635,430, your orator became and now is vested with entire right, title and interest in and to said Letters Patent Nos. 635,429 and 635,430, including any and all rights of action thereunder, for a good and valuable consideration by and through mesne assignments in writing, duly executed and delivered, and recorded in the Patent Office at Washington, D. C., as will fully appear by said assignments or duly certified copies thereof in court to be produced.

V

The inventions of said Letters Patent Nos. 635,429 and 635,430 are capable of conjoint use and have been conjointly used by said defendant.

VI

That said defendant has been duly notified in writing of infringement of said patents here in suit, and requested to cease such infringement, but declines so to do, and still continues to infringe, to the great and irreparable damage of your orator.

VII

That your orator has spent very large sums of money in developing and perfecting the inventions covered by said Letters Patent here in suit and is willing and able to supply any and all demands for products made under and in ac-

cordance with said patents at reasonable prices, and that your orator would be in exclusive enjoyment of its rights but for the infringing acts of this defendant and others.

VIII

That all of the commercial air blown asphalt made in the United States and Territories thereof, and since the date of the inventions here in suit are made in accordance with said Letters Patent Nos. 635,429 and 635,430, and as far as your orator is aware, the only commercial way of [fol. 4] manufacturing said asphalt is in accordance with said Letters Patent aforesaid.

IX

That your orator since the acquirement of said Letters Patent Nos. 635,429 and 635,430, marked all products made by it under and in accordance with said patents, with the word "Patented" and the date of grant of said Letters Patent, in accordance with the statute in such cases made and provided.

X

Your orator avers that the damages sustained by it, and the gains and profits accruing to said defendant by reason of the infringing acts committed and arising during the six (6) years last past and prior to the filing of this Bill of Complaint, will and do aggregate a very large sum of money, to-wit, the sum of at least Five Hundred Thousand Dollars ($500,000.00), for which your orator is entitled to an accounting and recovery.

XI

Your orator further shows unto your Honors that said Letters Patent Nos. 635,429 and 635,430, both have been the subject-matter of extended litigation in the Northern District of Illinois, Eastern Division, in the case of the above-named complainant against the American Asphaltum & Rubber Company, et al.; that a large number of depositions were taken by both sides, respectively, in said litigation; that the defendants made an exhaustive search of the prior

art and introduced in evidence a large amount of prior art; that eminent patent counsel were employed by the defendants in said cause; that after an exhaustive hearing on the merits, and at final hearing, both of the above Letters Patent Nos. 635,429 and 635,430 were sustained and the defendants therein found to infringe both patents; your orator averring that the process followed by the defendants in that cause, American Asphaltum & Rubber Company et al., and the product produced by such process, were substantially, if not identically the same as the process followed and the product manufactured and sold by the defendant in this suit, and herein proceeded against as an infringement.

That suit was also brought in the Northern District of Illinois, Eastern Division, by this complainant against the [fol. 5] Standard Oil Company of Indiana, for infringement of said Letters Patent aforesaid, and that said Standard Oil Company, realizing that said Letters Patent were valid and infringed by it, settled with this complainant for past damages and profits arising out of said infringement of the Letters Patent, and each of them, and took a license to practice each of said inventions in accordance with said Letters Patent Nos. 635,429 and 635,430, respectively, which license is still in full force and effect, and your orator is receiving great gains and profits therefrom.

That since the date of said decree against the American Asphaltum & Rubber Company et al., numerous other infringers have settled with your orator for past damages and profits arising out of the infringement of said Letters Patent aforesaid, and have taken licenses thereunder and are paying royalties under said Letters Patent to your orator, whereby your orator received and continues to receive great gains and profits from said royalties.

That the acts of this defendant, in wilfully and unlawfully infringing said Letters Patent and each of them, results not only to the great damage and injury to your orator, but also to the great damage and injury of its licensees who are paying royalties under said Letters Patent 635,429 and 635,430.

XII

Wherefore, your orator prays that the defendant may be decreed to make answer hereto, but not under oath (an-

swer under oath being hereby expressly waived), and to account for and pay over to your orator all accounts and profits realized by said defendant from the unlawful infringement of each of said Letters Patent, and also to pay over to your orator the damages which your orator has sustained by reason of said unlawful acts of this defendant, and that said damages may be increased three-fold in accordance with the statute and in the judgment of this Honorable Court as may seem reasonable, by reason of said unlawful acts of this defendant; and that said defendant, its officers, agents, servants, workmen and employes, and each of them, may be perpetually restrained from further infringement of said Letters Patent No. 635,429 and 635,430, and that a preliminary injunction restraining said defendant may be issued pending this suit; and that said defendant be compelled to pay all costs of this suit, and that [fols. 6 & 7] your orator may have such other relief as equity and the nature of the case may require.

Judah, Willard, Wolf & Reichman, Frank G. Belknap, Solicitors and of Counsel for Complainant.

Duly sworn to by William A. Leverich. Jurat omitted in printing.

[fol. 8] In United States District Court

[Title omitted]

Answer—Filed March 1, 1915

Now comes the Defendant, The Barber Asphalt Paving Company, and makes answer to the Bill of Complaint herein as follows:

1. The Defendant admits the allegations contained in paragraph numbered 1 of the Bill of Complaint.

2. The Defendant is not informed as to whether or not the Complainant is the owner of Letters Patent Nos. 635,429 and 635,430 in suit or of any rights therein, and therefore denies that the complainant is the owner of said patents or of any rights thereunder, and leaves the complainant to make such proof thereof as it may be advised is necessary. The defendant denies that it has anywhere

within the United States at any time used or sold products in infringement of said Letters Patent, and denies that it has infringed or threatens to infringe said Letters Patent or any rights of the complainant.

3. The Defendant furthermore, as an additional and independent defense, denies that it has at any time within the Southern District of Illinois used or sold products in infringement of said Letters Patent, and denies that it has within said district committed any acts of infringement of said patents, and avers that for this reason this court is without jurisdiction in the premises. By answering the other allegations of the Bill of Complaint the Defendant in no wise waives this defense to the jurisdiction.

4. The Defendant admits that Letters Patent of the United States Nos. 635,429 and 635,430 were issued on Oc- [fol. 9] tober 24, 1899, to George F. Culmer and George C. K. Culmer, but Defendant denies that said patents were issued upon applications made in due form of law, and denies that said patents were properly or legally issued, and denies that they conferred upon said George F. and George C. K. Culmer, or their heirs or assigns any rights whatever; and defendant denies that said George F. and George C. K. Culmer were the original or first inventors of the alleged improvements purported to be patented in said patents, and denies that they were jointly inventors thereof, and denies that said alleged improvements were not known or used by others in this country before their alleged inventions or discoveries thereof, and denies that said alleged improvements had not been patented or described in any printed publication in this or any foreign country before their alleged inventions or discoveries thereof, and denies that the same had not been in public use or on sale in the United States for more than two years prior to the filing of said applications, and avers that the same had been abandoned to the public and avers that said Letters Patent were and are wholly invalid and void.

5. Defendant has no knowledge as to whether there were any mesne assignments of the patents in suit to the Complainant, as is alleged in paragraph IV of the Bill of Complaint, and calls upon complainant to make such proof thereof as it may be advised is necessary.

6. Defendant has no knowledge as to whether the said Letters Patent Nos. 635,429 or 635,430 are capable of conjoint use and denies that they have been conjointly used by the Defendant.

7. Defendant admits the receipt of the letter mentioned in paragraph VI of the Bill of Complaint, but denies that it has infringed said patents or any rights of the Complainant, and denies that the Complainant has sustained any damages by its acts.

8. Defendant denies that it has committed any infringing acts, but has no knowledge as to the other allegations contained in paragraph numbered VII of the Bill of Complaint, and calls upon the Complainant to make such proof thereof as it may be advised is necessary.

9. Defendant denies that all of the commercial air-blown asphalt made in the United States and territories thereof since the date of the alleged inventions purported to be covered by the patents in suit has been made under or in accordance with said patents, and denies that the only com- [fol. 10] mercial way of manufacturing said asphalt is in accordance with said patents.

10. Defendant has no knowledge as to whether the Complainant has marked products made by it in accordance with said patents with the numbers and dates of the patents, and calls upon the Complainant to make such proof thereof as it may be advised is necessary.

11. Defendant denies that it has infringed said patents or any rights of the Complainant, and denies that the Complainant has sustained any damages by its acts, and denies that any gains or profits have accrued to Defendant by reason of any infringing acts.

12. Defendant admits that a decision was rendered by Judge Kohlsaat in the District Court of the United States for the Northern District of Illinois, Eastern Division, in a suit brought by this Complainant against the American Asphaltum & Rubber Company, et al., in which, after obviously serious doubt, the court held the patents in suit valid and infringed by the American Asphaltum & Rubber Company. Defendant denies, however, that in said case there was made an adequate presentation of the prior art and

avers that the evidence on which the decision was based was in large part erroneous and misleading. Defendant further denies that it has practiced any process or made any product similar to the process and product of the American Asphaltum & Rubber Company involved in said litigation. Defendant denies that any of its acts have caused any damage or injury to the Complainant or to any of its licensees, if any, under said patents. As to the other allegations contained in paragraph numbered XI of the Bill of Complaint, the Defendant has no knowledge, and calls upon Complainant to make such proof thereof as it may be advised is necessary.

13. Further answering, Defendant avers that the alleged inventions and improvements described and claimed as new in said Letters Patent, and every material and substantial part thereof, did not exhibit or embody any substantial variations or changes from what belonged to the state of the art as it existed at the time of the alleged origination or discovery thereof, and did not then involve the exercise of the inventive faculty or constitute the subject matter of invention proper to be secured by the grant of Letters Patent within the meaning and intent of the statutes of the United States relating to the grant of patents for inventions.

14. Further answering, Defendant avers that said alleged inventions, and every material and substantial part thereof, [fol. 11] had been in public use and on sale in this country for more than two years before the application for said patents were filed, and had been abandoned to the public.

15. Further answering, Defendant avers that said Letters Patent to Culmer Nos. 635,429 and 635,430 were and are wholly invalid and void because the alleged inventions, improvements or discoveries purported to be patented therein, and every substantial and material part thereof were published, described and patented prior to the alleged inventions or discoveries thereof by said George F. and George C. K. Culmer or more than two years prior to their applications for said Letters Patent in and by the following specified Letters Patent of the United States and foreign countries, to wit:

Letters Patent of the United States

No. 169,189, dated October 26, 1875, William C. Parker.
No. 178,061, dated May 30, 1876, Walter P. Jenney.
No. 178,154, dated May 30, 1876, Walter P. Jenny.
No. 222,408, dated December 9, 1879, Edward C. Kattell.
No. 236,995, dated January 25, 1881, Edward J. De Smedt.
No. 237,662, dated February 8, 1881, Edward J. De Smedt.
No. 239,466, dated March 29, 1881, Edward J. De Smedt.
No. 379,080, dated March 6, 1888, Robert J. Wilson.
No. 435,198, dated August 26, 1890, Robert Alexander.
No. 452,761, dated May 19, 1891, Frederick Salathe.
No. 452,763, dated May 19, 1891, Frederick Salathe.
No. 452,764, dated May 19, 1891, Frederick Salathe.
No. 468,867, dated February 16, 1892, Jesse A. Dubbs.
No. 480,235, dated August 21, 1892, Jesse A. Dubbs.
No. 524,130, dated August 7, 1894, Francis X. Byerley.
No. 547,294, dated October 1, 1895, Frederick Salathe.
No. 547,295, dated October 1, 1895, Frederick Salathe.
No. 564,341, dated July 21, 1896, Frederick Salathe.

Letters Patent of Great Britain

No. 1,710 of 1866, Lake.
No. 2,339 of 1876, Newton.
No. 2,295 of 1879, Plummerer.
No. 2,077 of 1882, Bell.
No. 12,806 of 1884, Imray.
No. 7,742 of 1893, Besford & Pesford.

Letters Patent of Canada

No. 35,117, dated October 2, 1890, Sparrow, et al.

[fol. 12] Letters Patent of Germany

No. 3,577, dated May 8, 1878, Jenney.
No. 4,706, dated September 7, 1878, Schraeder, et al.
No. 39,952, dated October 7, 1886, Schull, et al.

Letters Patent of France

No. 113,217, dated June 7, 1876, Jenney.
No. 144,951, dated October 28, 1881, Rohart.

Letters Patent of Belgium

No. 62,755 of 1883, Rave and Annez.

and in and by the following publications:

American Chemical Journal, Vol. 18, No. 2, pp. 141-150, published by Ira Remsen at Baltimore, Md. in February 1896, and in and by certain other Letters Patent and publications not now known to the Defendant, but which when ascertained the Defendant prays may be made a part of this answer by amendment thereto.

16. Further answering, the Defendant avers upon information and belief that said Letters Patent to Culmer Nos. 635,429 and 635,430 were and are wholly invalid and void because the said George F. and George C. K. Culmer were not the original and first inventors or discoverers of the alleged inventions, improvements or discoveries purported to be patented therein, or of any substantial or material part thereof, but that the same and every substantial and material part thereof were prior to the said alleged inventions thereof by said Culmer and Culmer invented by and known and used by others in this country, to wit:

Francis X. Byerley, Deceased, at Cleveland, Ohio.

Francis A. Byerley, of and at Cleveland, Ohio.

Byerley & Sons, of and at Cleveland, Ohio.

Frederick Salathe, of Santa Monica, California, at Santa Paula, California; Cline, Texas; and elsewhere.

Mission Transfer Company, of and at Santa Paula, California.

Union Oil Company, of San Francisco, California, at Santa Paula, California, and elsewhere.

Litho Carbon Company, of and at Cline, Texas, and elsewhere.

Jesse A. Dubbs, of Los Angeles, California, at Pittsburgh, Pennsylvania, and elsewhere.

Atlantic Refining Company, of and at Philadelphia, Pennsylvania.

[fol. 13] Melvin W. Beardsley, of Santa Barbara, California, at Santa Paula, California.

Edward J. DeSmedt, of and at Washington, D. C.

Grove Refining Company, of and at Buffalo, New York, and elsewhere.

Western Electric Company, of and at Chicago, Illinois, and elsewhere.

American Electric Works, of and at Providence, Rhode Island, and elsewhere.

Washburn & Moen, of and at Worcester, Massachusetts, and elsewhere.

17. Further answering, the Defendant avers that all products sold or used by the Defendant have been openly sold on the market for a long period of years and the Complainant has been at all times familiar with all of such products, and that if Defendant has infringed any right of the Complainant by the manufacturers use or sale of any such product (which this Defendant denies), the Complainant has wilfully neglected to assert its rights and has acquiesced in such alleged infringement and by reason of its acquiescence and neglect and laches in the premises, has forfeited all rights to an injunction or accounting, as prayed for in the Bill of Complaint, or to any relief in equity.

18. Defendant further avers that if the Complainant has any cause of action against it (which it denies), the same is barred by Section 4921 of the Revised Statutes of the United States as amended, insofar as said alleged cause of action is based or founded upon any acts or doings of this Defendant prior to January 14, 1909.

19. Defendant further avers that the description in said Letters Patent Nos. 635,429 and 635,430 of the alleged inventions or improvements set forth therein is not in such full, clear and exact terms as to enable any person skilled in the art to which it relates, or with which it is most nearly connected, to make or use the product therein referred to, and avers that the claims of said Letters Patent are not distinct, and do not particularly point out or distinctly claim the part or improvement which said George F. Culmer and George C. K. Culmer claim as their invention or discovery, or the part or improvement, if any, which they were entitled to claim as their invention or discovery, as required by the statute in such case made and provided.

Wherefore the Defendant prays that it be hence dis-
[fol. 14] charged, with its reasonable costs in this behalf most wrongfully sustained.

Barber Asphalt Co., by Avery D. Andrews, Vice President. Stuart Brown, Logan Hay, John Creighton, Solicitors for Defendant. Fraley & Paul, Of Counsel for Defendant.

[fols. 15-1214] In United States District Court

[Title omitted]

Amendment to Answer—Filed June 12, 1915

Defendant amends its Answer in the above case by adding as paragraph 20 the following:

"20. Defendant further avers upon information and belief that said Letters Patent Nos. 635,429 and 635,430 as granted under date of October 24, 1899, to George F. and George C. K. Culmer, were and are wholly invalid and void because the said George F. and George C. K. Culmer were not the original and first inventors or discoverers of the alleged inventions or improvements purported to be patented therein, but that the said George F. and George C. K. Culmer surreptitiously and unjustly obtainted the said patents for that which was in fact invented by one Francis X. Byerley of Cleveland, Ohio, who was using reasonable diligence in adapting and perfecting the same at said Cleveland, Ohio, as evidenced by the patent of August 7, 1894, for the Manufacture of Asphalt, etc., from Petroleum, and as also evidenced by the practice of the said Francis X. Byerley, in the manufacture and sale of asphaltic products as carried on by him in Cleveland, Ohio, both prior to and subsequent to the date of his Patent."

Fraley & Paul, Of Counsel for Defendant.

[fol. 1215] In United States District Court

[Title omitted]

Opinion on Issues of Validity, etc.—Filed January 17, 1917

The bill charges infringement of two patents, #635,429 and #635,430, known as the Culmer patents; the one describes a process; the other, the product derived therefrom.

The process consists in violently agitating with air petroleum residuum, while the latter is heated to a relatively low temperature, resulting in an asphaltic product more or less solid and practically without loss; that is to say, the volume and specific gravity of the liquid being substantially the same as the volume and specific gravity of the resulting product.

It is admitted by defendant that its process is identical with that of complainant so that the real controversy here is as to the validity of the Culmer patents. The defenses are:

1st. That complainant has not shown a clear title to the Culmer patents.

2nd. Anticipation by the Byerly patent and prior invention by Byerly.

[fol. 1216] The attack upon complainant's title is collateral only, the defendant not seeking to connect itself in any way with the title to the Culmer patents.

On July 14th, 1899, the Culmers had made an agreement with parties called the Byrd syndicate for the repayment of $30,000 furnished by the syndicate in connection with the Culmer patents. Later, on December 14, 1899, the Culmers assigned the patents to the Guardian Trust Company. The assignment was not to secure a debt, but for a temporary purpose and specifically states that it was "subject in all respects to the terms of the agreement of July 14, 1899."

The assignment also provides, "It not being the intention of this agreement to interfere with the right of disposition of said patented process on the part of the parties of the first part," (the Culmers).

The two agreements must be considered together, for the second specifically includes the first and without the first the second is meaningless.

I am of opinion that, notwithstanding the assignment, the legal and equitable title to the patents remained in the Culmers.

The record of proceedings in Guardian Trust Co., Trustee vs. Culmer, begun in the U. S. Court in Chicago, January 1901, is significant. The pleadings and the result of the suit convince me that the assignment was a temporary pledge and that it had been discharged. It is therefore held that the legal and equitable title to the Culmer patents is in the complainant company.

The case was mainly fought out on the joint defense of anticipation and prior invention by Byerly. The language of both Byerly and Culmer patents is clear and unmistakable. Byerly describes a process of distillation; Culmer, a process of oxidation at relatively low temperature and without distillation. Byerly's process involves a heavy loss of material and Culmer's process involves practically no loss of material. Byerly's process takes away the lighter oils. Culmer's process retains those oils.

In the Patent Office, the Byerly patent was cited against Culmer's application and the distinction made at that time was satisfactory to the department. The proof here verifies that distinction.

The further defense is that regardless of his patent, what Byerly actually did constituted prior invention and use. So far as the proof of such prior invention by the elder Byerly rests in the memory of his two sons, Francis and Josiah [fol. 1217] Byerly, it is not sufficient to sustain the defense, and the record of certain still books of the father, produced in evidence by the son Francis, is against rather than in favor of the contention that the elder Byerly was the original inventor of the process described in Culmer's patent. Indeed, the most convincing proof on the subject of prior invention is that contained in the still books which are now for the first time known in the litigation.

Much time and consideration have been given to the various cases cited by counsel for defendant in which the Byerly or Culmer patents, or both, have been involved. Harmony of decision is highly desirable and all courts seek

to preserve such harmony, but those decrees were all based upon different records and the decree here must be based upon the record made here.

The equities are found to be with the complainant. Counsel for complainant may submit form of decree.

Humphrey.

[File endorsement omitted.]

In United States District Court

[Title omitted]

Decree—Filed February 20, 1917

This cause having been heard upon final hearing on the Bill of Complaint, Answer and Testimony taken and filed herein, on behalf of both parties, and after oral argument, and briefs filed by both parties, and thereupon after due proceedings, and the Court being fully advised, it is

Ordered, Adjudged and Decreed, as follows:

1. That Letters Patent of the United States, No. 635,429, granted October 24, 1899 to George F. and George C. K. Culmer, for new and useful improvements in Process of [fol. 1218] Making Asphaltic Flux, and Letters Patent of the United States, No. 635,430, granted October 24, 1899, to George F. and George C. K. Culmer for new and useful improvements in Asphaltic Flux, were each good and valid Letters Patent; and that the said George F. and George C. K. Culmer were the original first and joint inventors of the respective inventions described and claimed in said Letters Patent respectively.

2. That the plaintiff, the Standard Asphalt & Rubber Company is the lawful owner of and entitled to the exclusive right, title and interest in and to each of said Patents and in and to each of said inventions and products respectively described and claimed therein and in and to all claims for past damages and profits arising from the infringement of said letters patent or either of them, and was the owner of such exclusive rights at the time of the filing

of this Bill and for six years prior thereto, and continued to be and now is the sole owner of such rights.

3. That said defendant, Barber Asphalt Paving Company, has violated the exclusive rights of the plaintiff in and to said letters patent and each of them and has infringed each of said letters patent in the manufacture of its asphaltic products at its plants at Madison, Illinois, and also in Maurer, New Jersey, and also has infringed the product patent No. 635,430 in the sale of its product manufactured under and in accordance with said patent in the United States and Territories thereof.

4. That said plaintiff does recover of the defendant the gains and profits made by said defendant and the damages sustained by the plaintiff arising out of said acts of infringement by said defendant.

5. That said defendant after due notice in writing by the plaintiff that it was infringing each of said letters patent, continued to infringe the same in violation of the plaintiff's rights thereunder; that plaintiff has always marked its goods made under and in accordance with each of said letters patent with the word "Patented," in accordance with the Statutes in such cases made and provided.

6. That it be and is hereby further ordered, adjudged, and decreed that this cause be and the same hereby is referred to Bluford Wilson of Springfield, Illinois, as Master to take testimony and to ascertain and to report to the Court together with all evidence taken the amount of such gains and profits made by the defendant, the Barber Asphalt Paving Company, and the damages sustained by the plaintiff by reason of such infringing acts of the defendant; [fols. 1219-4654] and the officers, agents, workmen and employees of the defendant be and are hereby directed and required to attend before said Master from time to time, as he may direct, and to produce before him such books, vouchers, papers and documents as relate to the matters at issue and as the Master may direct, and submit to such oral examination and make and file such written accounts as the Master may from time to time require, and that the plaintiff shall be at liberty to examine said books, vouchers,

papers and documents, as said Master shall order and direct.

7. That the plaintiff, the Standard Asphalt & Rubber Company, recover of the defendant, the Barber Asphalt Paving Company, its costs and disbursements in this suit to be duly taxed, and that the question of increased damages be reserved until the coming in of the Master's report.

Signed at Chicago, Illinois, this 20th day of Feby., 1917.

Humphrey, J.

[File endorsement omitted.]

[fol. 4655] In United States District Court

[Title omitted]

Opinion Confirming Master's Report—Filed March 13, 1924

The plaintiff filed three exceptions to the Master's Report, which will hereafter be considered.

Defendant filed seventy-six exceptions. These exceptions go to the whole report and relate to the method by which the Master proceeded to reach his conclusions, as well as the conclusions reached. Upon submission it was complained that the Master had disposed of the innumerable questions involved by "wholesale" instead of analyzing them and disposing of them at "retail." In its printed brief and argument, defendant submits its argument in support of its exceptions by general argument, but does not attempt to take up its exceptions seriatum beyond its detailed effort to show that, with very slight exceptions, all of the Master's conclusions and findings were wrong.

Therefor, we will endeavor to consider the Master's findings, conclusions and recommendations as they may appropriately fall within three subdivisions:

A. The patents in suit, their proper interpretation and the general rules applicable to the stating of the account.

B. Has the plaintiff maintained the burden cast upon it by the law of establishing that there were gains and profits attributable to the manufacture, use and sale of the infringing products?

C. Alleged errors of the Master as to the detailed profits [fol. 4656] of defendant and deductions drawn therefrom by certain other circumstances.

A.

When this cause was before the Court upon its merits (240 Fed., 750) the Culmer patents here involved, Nos. 635,429 and 635,430, the former a process, the latter a product patent, were, upon the hearing, found not anticipated, valid and infringed by the defendant. It was admitted that the defendant's process was identical with that of the complainant, so that the validity of the patents was directly passed upon. Two defenses were interposed. First, that plaintiff here lacked title to the Culmer patents; second, anticipation by the Byerly patent and prior invention by Byerly. Both of these defenses were resolved against the defendant. Defendant claimed to have been operating for years under the Byerly patent, though it was admitted in the record that its process was the same as plaintiff's process. Judge Humphrey, in discussing the difference between the Byerly and the Culmer patents, said (715):

"The language of both Byerly and Culmer patents is clear and unmistakable. Byerly describes a process of distillation; Culmer, a process of oxidation at relatively low temperature and without distillation. Byerly's process involves a heavy loss of material and Culmer's process involves practically no loss of material. Byerly's process takes away the lighter oils. Culmer's process retains those oils. In the Patent Office the Byerly patent was cited against Culmer's application, and the distinction made at that time was satisfactory to the Department. The proof here verifies the distinction."

Culmer patent (635,430; p. 3, ll. 99 to 114) provides:

"Fluxes produced by blowing a batch for a given number of hours—say at 380 degrees Fahrenheit—will impart a medium melting point to the final compound obtained in the admixture of the resultant flux with a selected base. If the flux be derived, e. g., at 300 degrees Fahrenheit, the melting point becomes relatively low. On the contrary if the batch be blown at a higher degree, e. g., 450 degrees Fahrenheit—the melting point is also advanced. Working

at 450 degrees Fahrenheit demands an increased injection of air particularly if continued for any considerable length of time, the object being to detain in an oxidized base, such constituents as might otherwise pass out in material diminuation of the volume of the batch."

[fol. 4657] A claim of said patent is as follows:

"A black, semi-solid, asphaltic flux devoid of pitch, the same consisting of dehydrated and oxidized petroleum residuum nearly alike in volume and specific gravity, with the original residuum, but markedly higher in its content of asphaltene and lower in petrolene that the residuum from which it was derived and possessing the characteristics of a product obtained by prolonged exposure of petroleum residuum to a heat below pitch-forming temperature, e. g., below 500° Fahrenheit, under copious injection of air to transform the mass without material distillation, substantially as described."

In describing the process (635,429) Judge Humphrey, upon the hearing on the merits, described it in the following language:

"The process consists in violently agitating with air petroleum residuum, while the latter is heated to a relatively low temperature, resulting in an asphaltic product more or less solid and practically without loss; that is to say, the volume and specific gravity of the liquid being substantially the same as the volume and the specific gravity of the resulting product."

In a proper interpretation of the patent, the distinguishing features of Byerly and Culmer are very decided, Byerly's being a process of distillation, while Culmer's is one of oxidation at low temperature and without distillation. But upon the hearing it was admitted that the accused process was identical with that of the plaintiff.

An effort was made at the hearing upon the merits to limit the operation of Culmer's patents to a process not operable with effect below a temperature of 380° Fahrenheit. But there is no such limitation in the patent, and, indeed, its strong feature is that it effects an oxidation that is extremely economical and valuable in the industry, with practically no loss in the volume of the ingredients used.

While the process in which the defendant claims some rights, and which it interposed as a defense, was one of distillation, involving waste and expense, and without any corresponding degree of serviceability.

Upon the hearing on the merits, as well as upon the hearing before the Master while stating the account, the practices of the defendant in its plants, particularly at Madison, Illinois, were shown to be very largely a series of low temperature operations, and this fact has been regarded as a defense. Nice distinctions were detailed by defendant's [fol. 4658] chemists as between an air-blown process and an air-agitated process, in an effort to relieve the defendant from any responsibility for accounting for any of its air-blown or air-agitated products, made at temperatures at and below 380 Fahrenheit. The use of the process at the lower temperatures was found to be infringement and the Master properly held that the air-agitated products produced by the lower temperatures were infringing products and to be considered within the account.

The process and its use within the life of the patent being the property of the plaintiff, it is entitled to the protection of the law. From one who presumed to use it without leave or license, plaintiff is entitled to recover the gains and profits incident to such illegal and unlawful use.

It is a cardinal rule of patent law that, where a patent produces but a part of the profits, the plaintiff may recover only such part of the profits as the patent produces, and the defendant may have credit for the remainder, and this rule holds good in cases where the patented part is so connected with other essential parts of the machine, that if removed and nothing substituted in its place, what remains will not be a complete or workable machine, as well as in cases where the patented portion is separable, and when separated leaves the remainder a complete workable machine. Westinghouse v. Wagner, 225 U. S. 604, 32 Sup. Ct. Rp. 691; Dowagiac v. Minnesota, 235 U. S. 641, 35 Sup. Ct. Rep. 221; Herman v. Youngstown Co. 216 Fed. 607; Dunn v. Standard Co. 204 Fed. 617; Robbins v. Illinois Watch Co., 81 Fed. 958.

The Westinghouse case, supra, has been given very clear and extensive interpretation by the Circuit Court of Appeals for this Circuit. In The Computing Scale Co. v. To-

ledo Computing Scale Co., 279 Fed. 648-673, Judge Baker, who wrote the opinion, said:

"And the first fruits of the Westinghouse decision should be this: If a manufacturer, knowing of a patent, decides to chance an unlicensed use, he should realize that he may be caught by a final decree on the merits and be ordered to respond accordingly; and, so realizing, he should be held to the duty of keeping separate and accurate records of all his infringing acts; and, on his failure to keep such records, the court, in measuring the damages on account of such trespasses, should resolve all doubts against him."

Under Rule 63 it was the duty of the defendant to file a schedule of his gains and profits upon reference of the cause to the Master, when so ordered, as was done in this case.

[fol. 4659] If a defendant, his struggles over the merits being at an end, states his profits from the records, the complainant should be compelled to accept the statement as the measure of the money decree, unless he is prepared forthwith to prove either (1) that the account was falsely stated, or (2) that the profits, if truly stated, are not an adequate measure of complainant's damages. If the first ground is sustained, the Chancellor, either directly or through the Master, might well appoint and qualify a competent and disinterested accountant to cure the defendant's default, and the report of the accountant should stand unless promptly impeached for fraud or gross inaccuracy. If the complainant should take the second ground, he might well be required to prove the value of the appropriated property as other such issues are tried by the opinion testimony of experts qualified to speak on the value of the invention. And neither "established royalty" nor "reasonable royalty," as evidence of the value of the invention, would be necessarily the limit of value, for an infringer should not be allowed the profit which a licensee justly expects.

If a defendant satisfactorily states his profits from the infringing device, but contends that only a part thereof is attributable to the invention, he might well be required to allege in his account, taken as a verified pleading, the

grounds on which he claims apportionment of profits, and his proofs should be limited to the averments. The Computing Scale Co. v. Toledo Computing Scale Co., 279 Fed. 649.

A contention arises in this record as to whether the raw materials used in defendant's infringing operations should be charged at their market value when so unlawfully used, or at their cost to the defendant. In finding the value of raw material used by an infringer of a process patent, for the purpose of ascertaining his profits, the cost of such material to the defendant, and not its value at the time of its use, is to be taken. Byerly v. Sun Co., 226 Fed. 759. To adopt any other rule would lead to confusion and injustice. The fact that the infringer might have applied the same raw materials to some legitimate use, or resold them on the market at the time of their use for more than it cost him, cannot be given consideration. Had the infringer so used his raw materials, in such a case, the profit would have been his and would not be involved in an accounting. By using his materials in the infringing operation, with the hope and anticipation of reaping greater profits than he would have reaped otherwise, it is but sound to require the [fol. 4660] infringer to make restitution of the profits so gained.

Defendant earnestly complains that the Master, in his interpretation of the patent in suit, erred in two substantial points, in holding that when the defendant subjected its paving materials to air-agitation it used the air "at the same temperature and in the same quantities as in the patented process"; that he overlooked the most vital factor of all; that the patent in suit states that the particular result is obtained after a long period of blowing—the first ten or twelve hours producing practically no result, and claims only the result after such "prolonged exposure." An examination of the record and the proofs as to the facts discloses the contrary; that is, that he placed the same construction upon the patents as was applied by the Court upon the merits' hearing, and the same as was placed upon them, undoubtedly, by defendant's expert when he cast his original account, even though that account later proved to be highly inaccurate in other respects.

B. Has the plaintiff maintained the burden cast upon it by the law and established that there were gains and profits attributable to the manufacture, use and sale of the infringing products?

Under new Equity Rule 63, the burden rests upon the defendant, when so ordered, to file its schedule of gains and profits incident to its infringing operations. Defendant, through its assistant auditor, Mr. Deitlin, prepared its schedule in obedience to an order therefor issued by the Master. This account showed a net loss to defendant of $810,206.02. Later, this loss was voluntarily reduced by Mr. Deitlin to $484,862.31. Later, upon analysis of a hypothetical case, involving the questions here involved, on cross-examination, the deficit was reduced to $54,175.12.

The coming in of a schedule showing such a tremendous loss in an apparently successful business enterprise, would have been almost sufficient evidence to warrant the Master himself in appointing an accountant to state the account from the defendant's books. It was unnecessary for him to do so for the reason that the plaintiff provided a very high grade expert accountant, N. G. Chambers, to perform the service. Plaintiff's accountant went into the books, documents and files of the defendant and made a careful and accurate account, which was reported, and the immense {fol. 4661} record in this case which followed was the result of the defendant's effort to disprove and discredit the account of plaintiff's expert, Mr. Chambers, and to sustain the account of its own expert, Mr. Deitlin.

Deitlin's account (Exhibit C) was defendant's schedule of gains and profits. His Exhibit S is the amended schedule, in which defendant's net loss was placed at $484,862.31. Chambers' account became plaintiff's Exhibit A. Both of these experts, strangely, are agreed as to one item, to-wit: That there was a manufacturing profit upon all air-blown products of the defendant in the sum of $656,886.10. To the manufacturing profit so stated, Chambers adds the sum of $672,341.17, arising, as he claims from raw materials, raising the total adjusted manufacturing profit to $1,329,227.27, in favor of the plaintiff. The defendant, figuring from the same source, conceded (Dietlin's Exhibit S) a

total adjusted manufacturing profit of $830,247.74, a difference between the accounts of $298,979.53.

The great conflict between the parties to this accounting arises by reason of the deductions allowed and claimed. Defendant's schedule (Deitlin's Exhibits C and S) are verified. They show a difference of almost $300,000 below the adjusted manufacturing profit shown by Chambers' Exhibit A. Exhibit C makes a showing under oath of a loss on infringing operations of $810,206.02; restated, also under oath, and reduced by Deitlin to $484,862.31, showing a discrepancy between the two sworn exhibits of Deitlin of $325,343.71. Upon the cross-examination of Chambers by defendant, that witness demonstrated, to the satisfaction of the Master, that, according to Deitlin's own figures, the remaining loss shown by Exhibit S, $481,862.31, should be reduced to $54,175.12. In the light of these wide discrepancies, involving immense sums, it was but natural that the Master should have regarded that the credibility of Deitlin as a witness and the evidentiary weight of his schedules (Exhibit C and S) were seriously affected.

Before stating this account, the defendant was ordered by the master to state the total cost to the defendant of the infringing products, to which he (defendant) answered: "Owing to the extreme difficulty of separating the selling cost as between infringing and non-infringing products this question cannot be answered."

The next inquiry was as to the total profit made by the defendant on all manufactured, used and sold infringing [fol. 4662] asphaltic products. Defendant answered that this, too, could not be given, for the same reason. So, it is clear, from this admission of the defendant, that neither the total cost nor the total profit arising out of the manufacture, use and sale of the infringing asphaltic products could be ascertained.

Upon this fact, which is not controverted, the Master was warranted in finding that Deitlin "was reduced to and free to approximate at will over the whole field of figures covered by the general books of the defendant, to pick and choose and speculate and explain on this basis or that as might appear most plausible and just. Thus, the radical and hopeless differences in the conclusions of the expert

accountants for the respective parties was never reconciled, but rather widened."

There is a wide variance between the parties as to just what products infringed and what did not, and it is thoroughly apparent that the entire position of the defendant is based upon the testimony of Mr. Forrest, defendant's chief chemist, as just to what products infringed and what did not, it being his theory that only about 40% of the products of the fire stills infringed plaintiff's patents, and he limited the operation of the patents by his construction. Mr. Forrest's views upon that subject were thoroughly discredited by competent witnesses. And the Master was warranted in so finding.

Upon the coming in of the two accounts, defendant's Exhibit C, by Mr. Deitlin, with all of its apparent infirmities, and plaintiff's Exhibit A, Mr. Chambers' account, it became well established, and there was ample evidence upon which the Master might find that there were gains and profits attributable to the manufacture, use and sale of the infringing products, and, that the plaintiff had sustained the burden cast upon it by the law. This, in spite of the wide range that was then apparent as to the allowance of credits and deductions to the defendant under accounting rules.

C. Alleged Errors of the Master as to the Total Profits of Defendant and Deductions Drawn Therefrom by Certain Other Circumstances.

Much of the voluminous record in this case was accumulated by defendant's efforts to show that it was entitled to a large number of very substantial credits and deductions, on the one hand, and the efforts on behalf of the plaintiff to explain away defendant's positions in regard to these several items. The burden of this labor was incident to the [fol. 4663] fixed policy of the defendant in conducting its business and keeping its accounts so as to completely intermingle the costs and profits of the infringing and non-infringing operations and products of its plants, together with the fact that many of the substantial accounts for which defendant claims it is entitled to deductions, were based upon speculation and found little or no support therefor in the system of bookkeeping of the defendant.

Defendant's Alleged Non-Infringing Products

Defendant contends that its saturations, Choctaw roofings, stone surface coatings, asphaltic block cement and road asphalt were all beyond question of infringement, and the deductions claimed for those branches of production should have been allowed by the Master.

It is contended that nowhere in the record is there any showing that defendant's saturations infringed the patent in suit, and this, notwithstanding the fact that defendant's witness Balfour, superintendent of the plant at Maurer, on cross examination, explained that any air used in manufacturing saturations was entirely for agitation and that the temperature at which saturations were made was usually about 350°. It is also shown that defendant's chief chemist, Forrest, worte the formula for the production of these various products; that he was a witness in a suit involving the Culmer patents as early as 1908, and it becomes apparent that defendant's position as to these products is due to what has heretofore been said about a misconception of the patent in suit by Mr. Forrest.

Defendant's witnesses O'Neill, a stillsman, Fowler, general manager and formerly general superintendent, and superintendent Balfour, all testified to the use of air in the making of saturations, the latter testifying that the temperature at which the still was heated in making saturations was approximately 350° to 400°. There is an abundance of evidence in the record to sustain the holding that in the manufacture of saturations the defendant was using air throughout the period of the account, with air compressors working at their full capacity. In this connection, it might be observed that any saturations which were used were used in connection with other materials which were air blown within the provisions of the patent in suit.

The contention of defendant that its Choctaw roof coatings were non infringing products, is not borne out by the [fol. 4664] record. It is claimed that it was impossible to make an air blown asphalt using Choctaw, i. e., Grahamite. The oil refinery still records, and the testimony of witness Frazier (Acc. Rec. 3209-3211) show that Choctaw was used in the manufacture of air-blown mineral rubber at the oil refinery, and Harry Culmer testified, in rebuttal for the

plaintiff, he, personally, had made air-blown asphalt from Choctaw. Mr. Forrest testified that Choctaw was used in original formula 566, and that it has always been an air-blown product.

Mr. Fowler testified that while the materials entering into the manufacture of roof coatings prior to November, 1916, and during the entire period of the account, were not always the same, yet they were all air-blown compounds.

The claim that all witnesses agreed that stone surface coatings never was an air-blown compound is not borne out by the record. Kirschbraun, Cross and Culmer all testified that air-blown asphalt was used for material of stone surface coatings. One witness, Dr. Cross, stated that stone surface coatings would not be possible except for the existence of air-blown asphalts, and it was the advent into the industry of air-blown asphalts that resulted in building up the mineral or stone surface type of roofing. The production records of defendant also tend to sustain this position.

Asphalt Block and Road Asphalt.

The Master was warranted in finding that asphalt block cement was made by the infringing process. Defendant's witnesses, Forrest, Balfour and Fowler, do not deny this fact, although they distinguish in this instance between air-blowing and air-agitation, and the refinement of the witness Forrest as to the difference. The Master is well sustained by the evidence with reference to his holding as to this particular one of defendant's products.

As to the road asphalt. The evidence was not so clear as to sustain the recovery of profits therefrom as in the other items hereinabove referred to and the Master found against the position of the plaintiff as to it.

Should Asphalts Go Into the Account at Their Cost or Market Value?

We have heretofore pointed out, and it is in harmony with authority and reason, that the raw materials entering into the infringing product should go into the account at [fol. 4665] their cost to the defendant in stating an account such as the one here involved and not at their selling or market value at the time of their use.

When the defendant attempted to comply with the order of the Master, it filed its account in debit and credit form, under Rule 63. This schedule (Exhibit C) put all of the asphalts used into the account at an artificial book profit value. Accountant Chambers attacked the unwarranted method of stating the account and defendant's expert Deitlin then changed the defendant's schedule from his artificial book profit price to an alleged market price. In the light of the fact that the defendant deliberately entered into the infringing business in roofing and miscellaneous compounds, for the purpose of affording an outlet for its natural asphalts, it is entirely proper to charge the defendant with the entire profit incident to this adventure in the use of its materials in its trespasses upon plaintiff's property.

The Choctaw Loss

Defendant owned all of the stock of the Choctaw Asphalt Company, which owned leases and mined a natural asphalt, known by the name of "Choctaw," in Oklahoma. The mine became unproductive, was abandoned and the leasehold surrendered to the Government. On January 13, 1913, defendant charged this loss off by entering on its ledger a credit to Choctaw Asphalt deposit for depreciation, amounting to $145,497.37. In defendant's schedule it attempted to spread this loss over the entire tonnage extracted from the mine, and its accountant Deitlin endeavored to increase the cost of the Choctaw actually used in the products entering into this account by $62,678.64. To allow this deduction in favor of the defendant would be to permit it to charge the plaintiff herein with the loss of a mine which it had deliberately abandoned because the enterprise had become unprofitable. To do so would be inequitable and unjust.

Discounts

Defendant asks the Court to sustain its 64th exception to the Master's report and to allow a credit of $88,842.50 for discounts, alleged to have been allowed by the Sales Department. It cannot be successfully contended, and is not, but that an infringer would be entitled to a credit such as the [fol. 4666] one requested here, if it could be established with

reasonable accuracy. This is one of the items which the Master found against the defendant because of the fundamental fact that defendant so kept its own books that it was impossible to ascertain with reasonable approximation, what the discounts on the infringing products actually were. Here, again, the shifting position of defendant's expert in defendant's account is apparent.

In the original schedule, Mr. Deitlin put in his account an arbitrary deduction not based on anything in defendant's books at all, and, then, in his amended account (Exhibit S), abandoned this theory and based his estimate not on anything shown in the books, but upon the recollection of certain of defendant's witnesses as to the percentage of customers taking discounts and not taking discounts.

Defendant, by counsel in the progress of the hearings, asked permission to substitute an accurate calculation as to what the discounts really were, if its expert and his assistants could find some feasible method of actually determining the accounts. No offer of substitution was made.

In Exhibit C, Deitlin took off arbitrarily two per cent of the entire sales to cover the discounts and collection expense, totaling $118,618.75. In Exhibit S this theory of ascertainment was abandoned and the other method just referred to adopted.

Exhibit S takes a deduction of $88,842.52 for discounts and the sum of $66,629.68 for collection expenses, making a total of $175,112.20, raising the claim contained in Exhibit C $69,000. Plaintiff's expert Chambers, in analyzing these several items, clearly demonstrates that Deitlin first adopted an arbitrary hypothesis and then by the adding of presumption upon assumption, by reason of the recollection of certain individual salesmen, made the deduction. He testified positively and rationally that the item is not ascertainable by any reasonable method from defendant's books.

What has just been said with reference to the claim for discounts may also be said with equal force as to the item of $86,269.50, claimed for collection expenses, and comes clearly within the holding of the Circuit Court of Appeals for this Circuit, in The Computing Scale Co. v. Toledo Computing Scale Co., supra:

If a manufacturer, knowing of a patent, decides to chance an unlicensed use, he will be held to the duty of keeping [fol. 4667] separate and accurate records of all his infringing acts, and on his failure to keep such records all doubts should be resolved against him."

Selling and Collection Expenses

A very substantial disagreement exists between the accounts cast by plaintiff's accountant and that of the defendant. These items are as follows:

	Plaintiff's account	Defendant's account
(a) Traveling salesmen's salaries and expenses	$195,175 34	$270,424 29
(b) General sales agents' and clerks' salaries and expenses	94,347 87	133,672 95
(c) Credit and collection expenses		86,269 68
	$289,523 21	$490,366 92

Here is a discrepancy of more than $200,000 between the two accounts on these items.

As to the first two items, Plaintiff's accountant Chambers apportioned the salaries and expenses of salesmen of the defendant's Sales Department in this manner: He ascertained definitely from defendant's books the total amount of money received from the sales of both the non-infringing and infringing products, and then apportioned the salesmen's salaries and expenses on the proportion that the total amount of sales of the infringing products bore to the non-infringing products.

Defendant's accountant Deitlin, in his first sworn report (Exhibit C) adopted an arbitrary method which was indefensible and was abandoned, when he submitted his amended schedule (Exhibit S). In Exhibit C the entire amount of salesmen's salaries and expenses were charged to the infringing products and nothing to the non-infringing products, on the ground that the latter practically sold themselves. This conclusion was at complete variance with the testimony of defendant's chief clerk of the Sales De-

partment, Mr. O'Neill. Defendant's assistant sales manager, Mr. Cavey, also detailed the loss of sales of many millions of pounds of Gilsonite in one instance to a com-[fol. 4668] petitior as early as 1912; that the advent of the Mexican and Texas oils had a very depressing effect upon the sales of Gilsonite, one of the non-infringing products.

It was contended that the number of sales should have been a controlling factor, and yet the evidence shows that of the sales for 1913 there were 2722 roofing orders and 215 orders for non-infringing natural asphalts coming through the Chicago office. However, the witness Trosky testified that 1394 of the roofing orders emanating from that source in the year 1913 went to one customer alone. So that the number of orders was not a controlling element, by any means, and the Court is not prepared to say that in determining the evidentiary value of the contending accounts upon this subject that the Master was not warranted in the conclusion which he reached.

As to the item of credit and collection expenses, for which the defendant seeks a credit of $86,262.68. The witness Chambers found no such an account in defendant's books, yet, defendant's accountant, in his Exhibit S, makes an arbitrary apportionment of all credit and collection expenses in his own peculiar way. He first deducted 10% of the expenses of the treasurer's department and then assumed that of the balance of 90% only 25% should go to road and paving and 75% should be charged against the sales department, and deducted 10% of the latter amount for the non-infringing roofing and miscellaneous compounds. This charge is wholly arbitrary and is supported by no evidence in the record beyond Deitlin's explanation of how he did it.

This item alone comes clearly within the rule announced in The Computing Scale Co. v. Toledo Computing Scale Co., supra. The 65th exception cannot be sustained.

Advertising

Defendant complains earnestly of the Master's holding in allowing the defendant a deduction of $161,000 for the item of advertising. The total deduction sought by the defendant is $404,036.41. There was some confusion in casting the account on the part of both accountants for the

plaintiff and defendant. Later, it developed that the substantial facts contained in the advertisements were not true. The catch line of the advertising featured "Trinidad Lake Asphalt," while the name "Genasco Ready Roofings" was [fol. 4669] strongly featured. At first it was the impression, not only of the advertising manager of the defendant, but also of the accountants, that "Genasco Ready Roofings" was manufactured from Trinidad Lake natural asphalt. It developed, however, that there was little or no Trinidad Lake natural asphalt contained in the so-called "Genasco Ready Roofings." The names "Trinidad" and "Genasco" were worked into a circular trade-mark and printed upon the Western Hemisphere as a background; the word "Genasco" being coined from the first letters of the words in the name of the General Asphalt Company. The name and trade-mark were the property of the General Asphalt Company, and the only part of the advertising that referred to the infringing products were the words "Ready Roofings," in the manufacture of which the patented process was used. This advertising, undoubtedly, had a strong influence in popularizing the abbreviation of the name of the present corporation, the General Asphalt Company, which owned and controlled the Barber Asphalt Paving Company, the defendant herein. It, through other companies, owned and controlled the Trinidad Lake from which the supply of natural asphalt is obtained, and, therefore, it must not be overlooked that the substantial parts of the advertising were directed to the popularizing of the name and the property really of the defendant or the company of which the defendant was a subsidiary.

In so far as this advertising promoted the sales of ready roofing in which the infringing product was used, it may have promoted sales from which the gains and profits are herein sought to be recovered. It was by no means the aim of the advertising to popularize the product of plaintiff's patents. And also, it is true the story told by the advertising was untrue and unfair to the public, yet, it may have had some effect in the promotion of sales of the infringing products.

In the light of these considerations and the evidence in the record, and the fact that before the hearings before the Master were started, the patents had expired and the de-

fendant had the lawful right to use its trade-mark and advertise the merits of natural asphalts, together with the use of products made according to the provisions of the Culmer patents, the more substantial effect of the advertising inured to the permanent benefit of the defendant, or the [fol. 4670] company of which it is a subsidiary, the Court believes that the apportionment made by the Master is the best that could be made.

Interest on Investment

By its 43rd exception defendant complains because the Master allowed it a deduction of only $206,287.76 as interest on invested capital. Defendant's computation of this item, credit for which is sought, fixes the amount of interest at $342,553.29. The Master found that there was an agreement between the experts that if the interest item is to be allowed there should be deducted the sum which the Master did allow. This finding is very earnestly challenged by the defendant. That discrepancy between the accountants upon this item was, undoubtedly, considered by the Master and due consideration given to the claim of deduction sought by the defendant.

On the item of interest on accounts receivable, plaintiff's accountant found $12,370.66, while defendant's accountant placed it at the sum of $84,830.95. The fairness of the allowance of the Master in this regard is evidenced by the fact that he considered the sum suggested by plaintiff's accountant in the light that defendant's books show no item of interest on accounts receivable, nor do they show the total accounts receivable for roofing and miscellaneous compounds at any given time. Defendant's expert's method of ascertaining this item arbitrarily for the present purpose did not appeal to the Master, and the burden was clearly upon the defendant to ascertain the item, and if there is any question about the correctness of the findings, it is due to the fact that the defendant did not segregate the infringing and non infringing products as to this item so that it could be definitely ascertained. The chief differences, however, between the two accountants upon this item was due to the fact that defendant sought an interest allowance upon its investment in the oil refinery, the power plant, maintenance equipment, transportation

and other parts of the plant which in the nature of things could only render partial service to the roofing and miscellaneous compound activities.

The Master was warranted in adopting the view of the accountant Chambers, that there was no basis on which one could ascertain the percentage of the power plant, maintenance equipment transportation, etc., which should be charged to the roofing and miscellaneous compounds, and [fol. 4671] separate them from those properly chargeable to the other activities in the plant.

As to the oil refinery. The allowance in that regard was properly disregarded, for the double reason that during a large portion of the accounting period there was no oil refinery in existence and it was not a necessary adjunct to the roofing and miscellaneous compound business.

The exception of the defendant as to this finding cannot be sustained.

Apportionment Between Infringing and Non Infringing Products

Defendant asks the Court to specifically find that of any profits which the account, as finally stated, may show were earned by defendant's roofing and miscellaneous compound business, not more than 13½% was attributable to the blown compound included therein. This contention is upon the theory "that defendant's infringing roofings consist of a number of parts which do not infringe, combined with one part which does. The upper coating of the roofing consists of a combination of non-infringing natural asphalt with an infringing blown oil. This coating is applied to one or more layers of saturated felt which contains no blown oil or other infringing product. The lower coating of the roofing, if there be one, usually contains no infringing material."

The trouble with this contention is that the premise is incorrect and the Master so found upon the great weight of the evidence. Two very eminent asphalt experts, Mr. Kirschbraun and Dr. Walter M. Cross, recognized and admitted as eminent in their profession, testified on behalf of plaintiff that the modern roofing materials of the class here involved would not be possible except for the existence of these air-blown products.

Profits on Asphalt Block Cement.

Defendant complains earnestly as to the allowance of profit by the Master upon defendant's manufacture of asphalt block cement, in the sum of $119,739.41, claiming that the manner in which this item was ascertained is wholly indefensible and that plaintiff's expert presented no rational grounds for the allowance of the claim.

[fol. 4672] It was shown by a clear preponderance of the evidence that asphalt block cement was an air-blown product. It was not sold in the open market, but used by the defendant company in its paving operations. The defendant, upon the hearing before the Master, refused to submit any different account, or, in fact, any account at all upon the items of asphalt block cement and road asphalt. If the method of reaching this account, and the account itself, were wholly untenable, it would have been very easy for the defendant to prove that fact to the Master by the production of its own books, which were in its possession, and which it declined to submit. The account as cast by Mr. Chambers was undoubtedly the best that could be cast under the circumstances, and comes clearly within the rule announced in The Computing Scale Co. v. Toledo Computing Scale Co., supra, as does, also, the allowance for profits on Bermudez asphalt, made in fire stills,—$47,814.62.

Exceptions 36, 37 and 38 cannot be sustained.

Reports of the General Asphalt Company

Upon the hearing, the plaintiff was permitted to offer in evidence the reports of the officers and directors of the General Asphalt Company to the stockholders and investors in the company, which were published annually during the period covered by the accounting in this case. These reports were prepared from the books, which had been carefully audited by a competent and credible auditing company, and were the company's representations to its stockholders and investors, and the public generally, as to the business and operations of the General Asphalt Company. The General Asphalt Company is the parent company, or, rather, the Barber Asphalt Company is the chief operating subsidiary of the General Asphalt Company. The reports, when read together, show a substantial growing success in

the business of roofings and asphaltic compounds. It shows the general purpose of engaging in that line of business and gives a very glowing description of the achievements of the company. And it is charged by the defendant that a great deal of the report of the Master in this case was made up from excerpts from those annual reports and that his conclusions were based upon facts elicited from them. The Court does not understand this to be the fact, as shown by the report of the Master, which is so bitterly complained of by the defendant.

[fol. 4673] In this case, upon being ordered so to do, it was the duty of the defendant to state its account. It did so. It stated an account which was so unreasonable as to destroy its credibility. More than that, the maker of the schedule immediately amended it, reducing the losses which he had reported from the branch of defendant's business covered by the accounting, almost $400,000.00, and, later, it was demonstrated that even a more substantial sum should have been taken from that loss figure by the cross-examination of the author *if* the statement itself.

These facts are quite glaring, when considered in the light of the official reports of the company, made annually, showing a highly prosperous condition, a growing business, one that was especially serviceable to the defendant by reason of the fact that it filled in a portion of the year when defendant's other business was at a stand-still.

The Master did give consideration to the reports of the General Asphalt Company, but he did this by way of testing the credibility of defendant's chief witness, Mr. Deitlin, and the weight of the schedule of gains and profits which he had submitted on behalf of the defendant. For the latter limited purpose, the Court is of the opinion, the evidence was properly admitted and considered. Of course, the Master would not be permitted to state an account such as the one here involved, from sources such as the general reports, but where a great organization, such as the General Asphalt Company, the owner of defendant here, permits its books to be examined for the purpose of showing gains and profits generally, and then particularly shows great strides and great successes along the lines involved in this investigation, at a time when no litigation is pending, there is every reason why the full truth should be shown. When

facts are elicited under these circumstances by an expert accountant, whose credibility cannot be questioned, it is entirely right and proper to consider such documents as showing a general condition; especially, when another statement is submitted under the stress of litigation, which tends to disprove a substantial part of the material represen-a-tions made in the public documents, printed and circulated by defendant.

Here, the burden was clearly upon the plaintiff in the first instance to show that there had been gains and profits arising out of the infringing operations of the defendant.

Upon the coming in of defendant's schedule of gains and [fol. 4674] profits, showing a loss of more than $800,000.00, due to the infringing operations involved in this case, the plaintiff employed the services of an accountant, connected with one of the best and most reputable concerns in the country. He was given defendant's schedule and was permitted to examine most of defendant's books, and made a report, which shows an entirely contrary result from that disclosed by the statement of defendant.

The Master considered these two reports of the contending accountants. To one he justly accorded a high degree of credibility. To the other he felt its weight as evidence was seriously affected by several things, among which are the following: The credibility of the author of defendant's account, Mr. Deitlin, was seriously impaired by his own admission as to the manner in which he made his figures and reached his conclusions. The clear and positive testimony of Mr. Chambers destroyed the value of a large portion of Mr. Deitlin's report.

Then, again, it was shown that much of Mr. Deitlin's report was based upon an ineffectual attempt to limit the operation of plaintiff's patents and to throw the infringing element of defendant's business into a relatively small portion thereof. By means of these calculations, based upon what might be called misinformation, furnished by defendant's Mr. Forrest, the value of defendant's schedule was again most seriously affected.

Again, from the manner and method of its conception it was sought to minimize or reduce the value of plaintiff's patents and the extent of the service which they had rendered the defendant in building up an entirely new and

prosperous branch of its business. By this method, defendant's expert was able to show that there had been used of plaintiff's patented product not to exceed 8,500 tons.

The Court feels that the plaintiff made this showing and that the Master was warranted from the facts in this case in finding that the defendant was a willful infringer. It is not beyond the realm of reasonable deduction to find from the evidence in this record that the defendant held its alleged rights under the Byerly patents very largely as a precaution against prosecution for trespasses upon the property of the plaintiff, to-wit: the Culmer patents.

There is considerable evidence in the record tending to show that since the date of the organization of the General [fol. 4675] Asphalt Company, during which time it has been contended, by the defendant, that it was operating under the Byerly patents, the Byerly process was not used, but rather the Culmer process. As early as 1908, defendant's chief chemist was a witness in litigation involving the two patents and two processes.

In the light of this situation, the Court feels that plaintiff's expert made a sincere, fair effort to get at the truth from defendant's books and such aids as were at hand. Of course, it is not absolutely accurate. Much of it had to be appropriately deduced from rational premises.

The advertising, for a portion of which the Master allowed a deduction in the account in this cause, and of which the plaintiff complains, the Court believes was fairly allowed.

The exceptions of the plaintiff as to the refusal of the Master to allow it profits on the road asphalt, made in steam stills, presents considerable merit, and, yet, there was throughout all of the evidence upon that phase of the case some question as to whether or not the plaintiff was entitled to such profits.

The Court has reached the conclusion, that, on the whole, the Master has probably reached the fairest adjustment possible in the light of all of the facts and circumstances in this case, considering, of course, the failure of the defendant to so keep its books as to show accurately the profit or loss of its infringing operations and to keep separate accounts between its infringing and non-infringing products, in failing to be able to show the cost of materials entering

into the infringing process and, also, failing to keep a report showing the gains and profits upon the infringing operations.

Therefore, the exceptions of the plaintiff to the Master's report will be overruled; all of the exceptions of the defendant to the Master's report will be overruled; the Master's report will be approved and a decree may be prepared in conformity therewith.

[fol. 4676] In United States District Court

[Title omitted]

Decree—Filed April 30, 1924

This cause coming on to be further heard at this term on the exceptions filed by plaintiff and by defendant respectively to the Master's Report filed herein on January 6, 1921, and the same having been argued by counsel, and the Court being fully advised in the premises, and upon consideration thereof,

It is ordered, adjudged and decreed as follows:

1. That the exceptions of the plaintiff, Standard Asphalt and Rubber Company, and of the defendant, Barber Asphalt Paving Company, respectively, to the report of Bluford Wilson, Esq., Master in Chancery in this Court, to whom, by the decree of this Court made and entered in this cause on the 20th day of February, 1917, this cause was referred, with instructions to take and state an account of the gains and profits made by the defendant, and to ascertain and assess the damages sustained by the plaintiff by reason of the infringing acts of, and the infringement by, the defendant of the Letters Patent Numbers 635429 and 635430 of the United States of America, and report thereon to the Court, which said report made by said Master was by said Master heretofore filed herein on the 6th day of January, 1921, be, and said exceptions of said plaintiff and of said defendant, respectively, are, hereby overruled and denied.

[fols. 4677-4683] 2. That the said report be, and hereby is approved and confirmed.

3. That the plaintiff, Standard Asphalt and Rubber Company, is entitled to have and recover of and from the defendant, Barber Asphalt Paving Company, the gains and profits made by the defendant by reason of said infringement by the defendant of said Letters Patent, as the same are ascertained and found in and by said report, in the sum of Six Hundred and Fifty Thousand and Forty-four dollars and eighty-three cents ($650,044.83), with interest thereon from the sixth day of January, 1921, the date of the filing in this Court of the said report, at the rate of five per cent (5%) per annum, together with plaintiff's costs and disbursements herein incurred to be taxed.

4. That the plaintiff, Standard Asphalt and Rubber Company, do have and recover of and from the defendant, Barber Asphalt Paving Company, the sum of Six Hundred and Fifty Thousand and Forty-four dollars and eighty-three cents ($650,044.83) together with interest thereon from January 6th, 1921, until paid, and do have and recover of and from the defendant the costs and disbursements of the plaintiff incurred in this cause, to be taxed, and that plaintiff have execution therefor.

Louis FitzHenry, Judge.

[fols. 4684-4872] In United States District Court

[Title omitted]

Order Allowing Appeal—July 1, 1924

This cause came on to be heard at this term and after hearing counsel and after consideration thereof, it is

Ordered as follows, viz:

That an appeal to the United States Circuit Court of Appeals for the Seventh Circuit from the decree of this court entered and filed herein, April 30, 1924, be, and the same is, hereby allowed, and that so much of the transcript of the record herein as is necessary and essential to a proper presentation thereof be forthwith transmitted to said United States Circuit Court of Appeals, and it is further

Ordered that a supersedeas bond be filed in the sum of Eight Hundred Fifty Thousand Dollars ($850,000.00) as provided by law, and

It is further ordered that upon filing said bond and its approval by the Court this order shall operate as a supersedeas and the clerk is directed to stay further proceedings in this cause.

Louis FitzHenry, Judge.

[fol. 4873] In United States District Court

Precipe for Transcript of Record

To the Honorable S. T. Burnett, Clerk of Said Court:

Please prepare a transcript of the record in the above entitled cause for use on appeal, including therein copies of the following:

Bill of Complaint;
Chancery Subpœna;
Answer;
Entry of Appearance for Plaintiff;
Amendment to Answer;
Bill of Particulars;
Order of September 15, 1915;
Affidavit of Henry M. Paul, Jr.;
Motion to fix date for hearing;
Certificate of Evidence, consisting of printed pages 24 to 1215, inclusive, pages 1222 to 4591 inclusive, and the following exhibits:

Plaintiff's Exhibits A B and C and Schedules 1 to 21 inclusive,
Plaintiff's Exhibit D amended and schedules 22 and 23,
Plaintiff's Exhibit E,
Plaintiff's Exhibit F,
Plaintiff's Exhibit M-11,
Choctaw Memorandum,
Memorandum-Tank Steamers,
Losses of the Trinidad Lake Petroleum Company from the abandonment of wells,
The Uintah Railway Co.

Inter-Office correspondence Barber Asphalt Paving Co. of July 5, 1917,

[fol. 4874] Relationship of B. A. P. and affiliated companies whose products are involved in patent action, Standard vs. Barber,

Chamber's cross-examination No. 1,

Special Customers to whom discount and terms were offered,

Plaintiff's Exhibit form of asphalt contract,

Memorandum in reference to Question 230 and 231,

Memorandum in reference to Question 352,

Memorandum in reference to Question 574,

Memorandum in reference to Question 636,

Memorandum in reference to Question 672,

Memorandum in reference to Question 678,

Fowler's Statements,

Forrest's Formulae,

Published Articles by C. H. Forerst requested by Mr. Belknap,

Memorandum of Statements made by Employees of the Barber Asphalt Paving Company at Madison. Dated February 18, 1918;

Defendant's Exhibits D, E, F, G, H, I, J, K, L;

Defendant's Exhibit Supplement to Exhibits C and D;

Defendant's Exhibit Supplement to Exhibits E to K;

Defendant's Exhibit Supplement to Exhibit L;

Defendant's Exhibit List of Larger Chicago Gilsonite Sales;

Defendant's Exhibit S;

Defendant's Supplemental to Exhibit S;

Defendant's Exhibit T;

Defendant's Exhibit U;

Chamber's Rebuttal Schedule 13a;

Chamber's Rebuttal Schedule 13b;

Chamber's Rebuttal Schedule 22;

Chamber's Rebuttal Schedule 24;

Defendant's Exhibit Deitlin's Computation of percentage of Genasco Roofing containing Trinidad;

Opinion filed on Jan. 17, 1917;

Decree of Feb. 20, 1917;

Master's Report;

Exception to Master's Report by Plaintiff;

Order extending time for defendant to file exceptions to Master's Report;
Defendant's Exceptions to Master's Report;
Motion for a new reference;
[fol. 4875] Memorandum filed Mar. 13, 1924;
Decree filed April 30, 1924;
Petition for appeal;
Assignments of error;
Prayer for reversal;
Order allowing appeal;
Appeal Bond;
Citation;
Copy of this praecipe.

Henry N. Paul, Brown, Hay and Stephens, Solicitors for Defendant.

To: A. F. Reichmann, F. L. Belknap, Allen & Converse, Counsel for Complainant:

You are hereby notified that we have this day filed with S. T. Burnett, Clerk, a copy of the foregoing praecipe for record.

Henry N. Paul, Brown, Hay and Stephens, Counsel for Defendant.

Received copy of the above notice this 24 day of April, A. D. 1925.

Walter M. Allen, Counsel for Complainant.

[fol. 4876] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 4877] In United States District Court

Orders Extending Time

Thursday July 31st, 1924

[Titles omitted]

And now on this 31st day of July, A. D. 1924, comes the defendant herein by R. Allen Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that

the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit, be, and the same is hereby extended for a period of thirty days to and including August 30th, 1924.

Saturday August 30th, 1924

And now on this 30th day of August A. D. 1924, comes the defendant herein by R. Allen Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit, be, and the same is hereby extended for a period of sixty days to and including September 29th, A. D. 1924.

[fol. 4878] Monday, September 29th, 1924

And now on this 29th day of September A. D. 1924, comes the defendant herein by R. Allen Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the seventh Circuit be, and the same is hereby extended for a period of ninety days, to and including October 29th, A. D. 1924.

Wednesday, October 29th, 1924

And now on this 29th day of October A. D. 1924, comes the defendant herein by R. Allan Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit, be, and the same is hereby extended for a period of one hundred twenty, days to and including November 28th, A. D. 1924.

[fol. 4879] Friday November 28th, 1924

And now on this 28th day of November A. D. 1924, comes the defendant herein by R. Allan Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that

the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit, be and the same is hereby extended for a period of one hundred fifty days to and including December 28th, A. D. 1924.

Saturday December 27th, 1924

And now on this 27th day of December A. D. 1924, comes the defendant herein by R. Allan Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh [fol. 4880] Circuit, be, and the same is hereby extended for a period of one hundred eighty days to and including January 27th, A. D. 1925.

Tuesday January 27th, 1925

And now on this 27th day of January A. D. 1925, comes the defendant herein by R. Allan Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit be, and the same is hereby extended for a period of two hundred ten days to and including February 27th A. D. 1925.

Thursday February 26th, 1925

And now on this 26th day of February A. D. 1925, comes the defendant herein by R. Allan Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that [fol. 4881] the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit be, and the same is hereby extended for a period of two hundred forty days to and including March 28th, A. D. 1925.

Saturday March 28th, 1925

And now on this 28th day of March A. D. 1925, comes the defendant herein by R. Allan Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in

the United States Circuit Court of Appeals for the Seventh Circuit be, and the same is hereby extended for a period of two hundred seventy days to and including April 27th, A. D. 1925.

Monday April 27th, 1925

And now on this 27th day of April A. D. 1925, comes the defendant herein by R. Allan Stephens, Esq., one of its [fol. 4882] solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit be, and the same is hereby extended for a period of three hundred days to and including May 27th A. D. 1925.

Wednesday May 27th, 1925

And now on this 27th day of May A. D. 1925, comes the defendant herein by R. Allan Stephens, Esq., one of its solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit be, and the same is hereby extended for a period of three hundred thirty days to and including June 26th A. D. 1925.

Friday, June 26th, 1925

And now on this 26th day of June A. D. 1925, comes the defendant herein by R. Allan Stephens, Esq., one of its [fol. 4883] solicitors and on his motion, it is ordered by the court that the time for filing the transcript of record in said case in the United States Circuit Court of Appeals for the Seventh Circuit be, and the same is hereby extended for a period of three hundred sixty days to and including July 26th, A. D. 1925.

Clerk's certificate to foregoing orders omitted in printing.

[fols. 4884-4912] Citation in usual form showing service on Walter M. Allen, filed July 8, 1924, omitted in printing.

[fol. 4913] In United States District Court

[Title omitted]

ORDER RE TRANSCRIPT—March 30, 1926

This cause came on to be heard upon the motion of the Barber Asphalt Paving Company filed herein on March 18, 1926, and upon the order of the Circuit Court of Appeals entered on January 29, 1926, certified copy of which is attached to said motion, and thereupon the said Barber Asphalt Paving Company, by its solicitors, Henry N. Paul and Logan Hay, presents to the Court the certified transcript of the record of this cause heretofore certified to the Circuit Court of Appeals and remitted by it on January 29, 1926, under the order of the Circuit Court of Appeals hereinabove referred to, and requests the Court to append its certificate of evidence to that part of the record which sets forth the testimony and other proceedings had and taken before this Court on the trial of said cause, and for such further amendment, correction or amplification as the District Court may see fit to make respecting the certification of the record, and also respecting the certification of certain printed copies of the specifications and drawings of four (4) United States patents as filed with the Accounting Master which are appended to the printed transcript in this case (pages 4885 to 4907). And said Standard Asphalt and Rubber Company having been duly notified and appearing herein by A. F. Reichmann and Walter M. Allen, its counsel, appearing specially, solely and only for the purpose of challenging the power and jurisdiction of the Court to entertain the motion herein and to grant the relief herein prayed;

And the Court having heard the testimony of James M. Purcell, the official reported who transcribed the testimony heard before the Honorable J. Otis Humphrey, deceased, and William J. Snyders, deputy clerk of this Court, finds: [fol. 4914] 1. That the sixteen volumes filed herein, one thereof on September 29, 1916, and fifteen thereof filed on January 17, 1917, together with the exhibits referred to therein and attached thereto, said volumes and exhibits being the testimony filed herein as referred to in the decree entered by Humphrey, Judge, February 20, 1917 and copies of which said volumes and exhibits are set forth at pages 24 to 1577, inclusive, of the printed transcript of record

heretofore certified by the Clerk of this Court on June 29, 1925, are the full, true and complete transcript of all the proceedings had upon the hearing of this cause before the late Judge J. Otis Humphrey, including all the oral testimony, depositions, stipulations and exhibits which were introduced in evidence on the said hearing, and

2. That the instrument bearing on the cover in pencil the following: "Standard v. Barber, Defendant's Ex., Prior Art patents, O. K. F. L. Belknap," containing among other things copies of the specifications forming part of Letters patent Nos. 227945, 435198, 512,348 and 512949, was filed by Bluford Wilson, Special Mastery in Chancery in this cause, with his report herein, and that said instrument contains the exhibits referred to on pages 3757, 3758, 3762 and 3764 inclusive, 3786 and 3788 inclusive, 3795 and 3796 inclusive, 3925 and 3936 inclusive wherein reference is made to letters Patent of the above numbers of the printed transcript of record as certified by the Clerk of this Court, and was considered by this Court upon final hearing of this cause as exhibits reported by said Master in Chancery.

The Court therefore directs the Clerk of this Court to transcribe the said instrument described as: "Standard v. Barber, Defendant's Ex., Prior Art Patents, O. K. F. L. Belknap," by a supplemental transcript, to be certified to the Circuit Court of Appeals as part of the record of appeal in this cause.

And upon request of the said Defendant, the said Barber Asphalt Paving Company, the Court hereby directs that all the testimony in this cause be reproduced in the exact words of the witnesses, and not in narrative form.

And the Clerk of this Court is further directed to amend the transcript of record returned to this Court under the said order of the Circuit Court of Appeals, by adding thereto any file marks appearing upon the original stenographer's transcript of the proceedings at the trial as [fols. 4915-4958] filed by the district judge and referred to by him in his interlocutory decree of February 20, 1917.

And pages 24 to 4872 inclusive of the transcript of record heretofore certified by the Clerk of this Court on June 29, 1925, amended and supplemented as herein directed, are hereby approved as a true, complete and properly prepared

statement of the evidence (including testimony and exhibits therein referred to and the stipulation of the parties) in the above entitled cause.

And the Clerk of this Court is further directed to append to the original transcript of record herein a transcript of the order redocketing this cause in this court, the motion of Barber Asphalt Paving Company filed herein on March 18, 1926, and this order and thereupon to further certify said transcript of record and return the same to the Circuit Court of Appeals for the Seventh Circuit.

(Signed) Louis FitzHenry, Judge.

Indorsed, Filed March 30, 1926, S. T. Burnett, Clerk.

DEFENDANT'S EX.

Prior Art Patents

STANDARD

v.

BARBER

O. K. F. L. Belknap.

[fols. 4959 & 4960] Clerk's certificate D. C. U. S. to foregoing transcript omitted in printing.

[fols. 4961 & 4964] Clerk's certificate U. S. C. C. A. to foregoing transcript omitted in printing.

[fol. 4965] IN UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT

No. 3614

BARBER ASPHALT PAVING COMPANY, Appellant,

vs.

STANDARD ASPHALT & RUBBER COMPANY, Appellee

MOTION FOR SEPARATE HEARINGS—Filed November 3, 1925

Now comes the Barber Asphalt Paving Company, appellant in the above entitled cause, and respectfully shows to the Court that prior to the interlocutory decision of the District Court holding the patents in suit valid and infringed said letters patent had expired, wherefore no injunctional decree was ordered which could be appealed from, and that the cause was referred to a Master for an accounting of profits and damages arising out of defendant's alleged infringement and further proceedings were had before the Master and in the District Court; all of which proceedings and holdings assigned as errors are before this Court upon the present appeal:

Wherefore, this appellant prays the court to separate and divide the argument on the issues of its said appeal, and to separately hear and decide the issues of title, validity of the patents in suit and the infringement by appellant before further hearing and deciding (should further decision be necessary) the issues decided during and subsequent to the reference of the cause to a Master to take an account of profits and damages arising out of appellant's alleged infringement of the Patents in suit.

Rector, Hibben, Davis & Macauley, Solicitors for Appellant.

[File endorsement omitted.]

[fol. 4966] In United States Circuit Court of Appeals

[Title omitted]

Notice of Objections and Motion to Strike—Filed November 9, 1925

To Messrs. Rector, Hibben, Davis & Macauley, Attorneys for Appellant:

Please take notice that on Monday, November 9, 1925, at 10 o'clock A. M., on the hearing of motion of Appellant to separate and divide the argument in the above entitled cause, etc., before the United States Circuit Court of Appeals for the Seventh Circuit at Chambers, in the Federal Building, we shall appear and present the annexed objections of Appellee to said motion and also the annexed motion of Appellee to strike from the purported transcript of record in said cause certain purported proceedings and evidence and testimony appearing in said purported transcript, in accordance with and upon the grounds set forth in said annexed motion; at which time and place you may be present if you see fit.

A. F. Reichmann, Frank L. Belknap, Walter M. Allen, Solicitors for Standard Asphalt & Rubber Company, Appellee.

Received a copy of the above notice and copies of the said motion and objections, this 7th day of November, 1925, at 12:45 P. M.

S. E. Hibben, Attorney for Appellant.

[fol. 4967] In United States Circuit Court of Appeals

[Title omitted]

Motion to Strike—Filed November 9, 1925

Comes now Standard Asphalt & Rubber Company, Appellee in the above entitled cause, by A. F. Reichmann, Frank L. Belknap and Walter M. Allen, its solicitors, and moves

the Court to strike from the purported transcript of the record filed herein all purported proceedings, and the purported evidence and testimony purporting to have been had and taken on the trial of said cause before said District Court, on the issues of plaintiff's title to the patents therein sued upon, and of the validity of said patents, and of the infringement thereof by defendant, as the same appears in a purported transcript of the record filed herein, from pages 18 to 1577 of said purported transcript of the record, for the following reasons, and upon the following grounds, to wit:

1. The decree of the District Court adjudicating and decreeing the title of the patents in suit in plaintiff, and the validity of said patents, and the infringement thereof by appellant, was entered on February 20, 1917, as appears on pages 1217 to 1219 inclusive of the purported transcript of the record filed herein, and no appeal was ever prayed or taken from said decree within the time fixed and limited by law, and because and in consequence thereof said decree became final and conclusive, and is not now the subject matter of appeal and review by this Court.

2. The petition of defendant for appeal filed in the office of the Clerk of said District Court on July 1, 1924, and the prayer of defendant for the reversal of the decree, appear-[fol. 4968] ing on pages 4678 and 4679 of the purported transcript of the record filed herein, prayed an appeal from, and reversal of, the decree of said District Court of April 30, 1924, appearing on page 4676 of said purported transcript, overruling the exceptions to the Master's Report filed therein, and approving and confirming said Master's Report and entering judgment in favor of plaintiff and against defendant in the sum of $650,044.83, together with interest thereon from January 6, 1921, until paid, and the costs and disbursements of plaintiff, and said prayer for appeal and for reversal of decree did not pray, or operate to pray, an appeal from, or reversal of, the decree of February 20, 1917, and because and in consequence thereof an appeal from said decree of February 20, 1917, has never been prayed, taken or perfected, and said decree is now final and conclusive, and not the subject matter of appeal to, or review by, this Court.

3. The purported transcript of the record filed in said cause shows that the purported evidence and testimony purporting to have been taken on the trial of said cause before the District Court was not approved by the Court or Judge before whom said cause was tried and was not signed, certified to or authenticated by said Court or Judge, and was never filed with such approvel, certification or authentication in the office of the Clerk of said District Court, and never became a part of the record in said cause for the purposes of the appeal herein; all as required by Rule 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof, said purported proceedings, evidence and testimony should be stricken from the said purported transcript of record and disregarded and not considered by this Court, and because and in consequence thereof also the decree of said District Court entered on February 20, 1917, appearing on page 1217 of said purported transcript of record, and said purported proceedings, evidence and testimony, is not subject to review by this Court.

Wherefore, appellee prays that said purported proceedings, evidence and testimony be stricken from the purported transcript of the record filed herein, and that the Court do not consider or review the same, or said decree of said District Court of February 20, 1917.

A. F. Reichmann, Frank L. Belknap and Walter M. Allen, Solicitors for Appellee.

[fol. 4969] In United States Circuit Court of Appeals

[Title omitted]

Objections to Motion for Separate Hearings—Filed November 9, 1925

Comes now Standard Asphalt & Rubber Company, Appellee, in response to the notice of motion to appellant to separate and divide the argument on the issues of said appeal and to separately hear and decide the issues of title and validity of the patents in suit, and infringement, etc.,

and shows to the Court here the following reasons why said motion should be denied and overruled:

1. The decree of the District Court adjudicating and decreeing the title of the patents in suit in plaintiff, and the validity of said patents, and the infringement thereof by appellant, was entered on February 20, 1917, as appears on pages 1217 to 1219 inclusive of the purported transcript of the record filed herein, and no appeal was ever prayed or taken from said decree within the time fixed and limited by law, and because and in consequence thereof said decree became final and conclusive, and is not now the subject matter of appeal and review by this Court.

2. The petition of defendant for appeal filed in the office of the Clerk of said District Court on July 1, 1924, and the prayer of defendant for the reversal of the decree, appearing on pages 4678 and 4679 of the purported transcript of the record filed herein, prayed an appeal from, and reversal of, the decree of said District Court of April 30, 1924, appearing on page 4676 of said purported transcript, overruling the exceptions to the Master's Report filed therein, and approving and confirming said Master's Re-[fol. 4970] port and entering judgment in favor of plaintiff and against defendant in the sum of $650,044.83, together with interest thereon from January 6, 1921, until paid, and the costs and disbursements of plaintiff, and said prayer for appeal and for reversal of decree did not pray, or operate to pray, an appeal from, or reversal of, the decree of February 20, 1917, and because and in consequence thereof an appeal from said decree of February 20, 1917, has never been prayed, taken or perfected, and said decree is now final and conclusive, and not the subject matter of appeal to, or review by, this Court.

3. The purported transcript of the record filed in said cause shows that the purported evidence and testimony purporting to have been taken on the trial of said cause before the District Court was not approved by the Court or Judge before whom said cause was tried and was not signed, certified to or authenticated by said Court or Judge, and was never filed with such approval, certification or authentication in the office of the Clerk of said District Court, and never became a part of the record in said cause

for the purposes of the appeal herein; all as required by Rule 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof said purported evidence and testimony should be stricken from the said purported transcript of record and disregarded and not considered by this Court, and because and in consequence thereof also the decree of said District Court entered on February 20, 1917, appearing on page 1217 of said purported transcript of record, and said purported evidence and testimony, is not subject to review by this Court.

4. The purported evidence appearing in the purported transcript of the record filed herein is not stated in simple and condensed form and the purported testimony of witnesses is not stated in narrative form, but on the contrary thereof, said purported evidence and testimony is set forth in full, all contrary to Rule 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof all of said evidence and testimony should be stricken from the purported transcript of the record in said cause and disregarded by this Court.

5. No reason or ground for said motion is shown in support of said motion, nor is it made to appear why said issues cannot and should not be presented and argued separately in the brief and argument of Appellant on the whole case, so that this Court may consider and review said cause in [fol. 4971] the order suggested by Appellant, and thereby accomplish the end suggested by Appellant.

6. The decree appealed from in this cause was entered on April 30, 1924, and the purported transcript of record therein was not filed in the office of the Clerk of this Court until July 3, 1925, and because and in consequence thereof the appeal and hearing of this cause has been long and unduly delayed and Appellee thereby injured and the granting of said motion may further unduly and injuriously delay the final determination and disposition of this case in this Court in the event that the decree of the District Court of February 20, 1917 should be reviewed by this Court, and upon such review should be affirmed, for in that, upon such affirmance, further time would be asked and necessary to file further and additional briefs on the part of both

Appellant and Appellee on the issues of the accounting in said cause.

7. The saving of expense to Appellant in the preparation and printing and filing of its brief and argument herein in support of its appeal is not sufficient or proper ground for said motion.

Wherefore, appellee says said motion of appellant should be denied and overruled.

A. F. Reichmann, Frank L. Belknap and Walter M. Allen, Solicitors for Appellee.

[File endorsement omitted.]

[fols. 4972-4977] In United States Circuit Court of Appeals

[Title omitted]

Order Denying Motion for Separate Hearings—November 9, 1925

Now this day come the parties by their counsel, and counsel for appellant presents a motion to separate and divide the argument on the issues raised on this appeal, and the court having heard the same, it is now here ordered that this motion be, and the same is hereby denied.

It is further ordered that the brief for appellant on the questions of title validity and infringement be filed as required by the rules of this court, and that the brief of appellant on the question of accounting be filed ten (10) days thereafter.

It is further ordered that the brief for appellee on the questions of title, validity and infringement be filed thirty (30) days after the filing of appellant's brief on those questions, and brief for appellee on accounting forty-five (45) days after the filing of brief for appellant on this question, the reply briefs for appellant to be filed within fifteen (15) days from the date of filing appellee's briefs.

It is further ordered that this cause be placed on the calendar of the January Session of the October Term, 1925,

and that the motion of appellee to strike portions of the record be, and the same is hereby continued to the hearing on the merits of this cause.

[fol. 4978] In United States Circuit Court of Appeals

[Title omitted]

Motion for Order Remitting Certified Transcript of Record to District Court for Permitting Certificate of Evidence—Filed January 4, 1926

Now comes The Barber Asphalt Paving Company, Appellant, in the above entitled cause by Henry N. Paul and John B. Macauley, its solicitors, and moves the Court for an order remitting the certified transcript of the record in this case as filed herein on July 3, 1925, to the District Court for the purpose of permitting said Court to append its Certificate of Evidence to that part of the record which sets forth the testimony and other evidence and proceedings had and taken before the said District Court on the trial of said cause constituting pages 24 to 1215 and also pages 1223 to 1577 of the printed record, as it has been certified to this Court by the Clerk of said Court under the seal of said Court; and to direct that, when said Certificate of Evidence has been signed by the Judge of the Court, said transcript be forthwith returned to this Court with the same force and effect as though said Certificate of Evidence duly signed had formed part of the transcript, as originally filed in this Court; and that meanwhile this Court retain jurisdiction of this appeal, which is not dismissed hereby, nor by any acts to be taken in accordance herewith, and this cause hold its place upon the argument list of the Court, and that the orders heretofore made in this Court for the filing of briefs, preparatory to the argument of the cause, remain in force notwithstanding the granting of this remittitur; all for the following reasons and upon the following grounds to wit:

1. The interlocutory decree of this Court, adjudicating the issues of the trial, and awarding an accounting before a [fol. 4979] master, was made by the Hon. J. O. Humphrey,

Judge, on January 17, 1917, but the patents in suit having expired, no injunction was ordered, and consequently no appeal could then be taken to this Court from such interlocutory decree.

2. The Master's report was filed January 6, 1921. He certifies in his report (p. 3594) that "no unnecessary time was lost in the presentation of the facts of the case." Exception to the Master's report were filed and were argued before the Court on May 2, 1921. The opinion of the Court dismissing the exceptions to the Master's report and confirming the report and its findings, was filed March 14, 1924, and the final decree in this cause was entered thereupon on April 30, 1924. Defendant's appeal was promptly taken and duly allowed July 1, 1924.

3. Until July 1, 1924, there was no Appellant, and accordingly, no one upon whom Rule 75 of the Supreme Court Equity Rules cast the duty of condensing the evidence as taken at the trial. In the meantime, on June 14, 1918, Judge Humphrey died, and in view of the nature of the controversies at the trial, and the conflicting views of the parties upon many points, it was not feasible to attempt to settle a condensed statement of the evidence before a Judge not thoroughly familiar with the trial of the cause, and accordingly, it was deemed best to ask the Clerk of the Court to certify the stenographer's notes of the testimony and proceedings at the trial as already filed of record in the cause.

From said notes it appears (p. 25) that counsel for both sides agreed with Judge Humphrey in open court at the outset of the trial that the reporter's transcript should be "accepted as true and correct unless error clearly appears."

4. At the time of the filing of the præcipe directing the Clerk of the District Court which parts of the record should be certified for use on appeal, Rule 14 of this Court (adopted October 6, 1925) had not been adopted, and Appellant's counsel were not aware of any requirement that the stenographer's notes of testimony at the trial should be "signed by the Judge who tried the cause." Nevertheless, in said præcipe, the Clerk of the District Court was requested to return to this Court a "Certificate of Evidence," consist-

ing of the printed pages of the record and exhibits therein referred to; but whether owing to uncertainty as to the requirement for a Judge's signature, or owing to the fact of the death of the Judge before whom the cause was tried, no certificate was signed by the Court or transmitted by the Clerk in obedience to the præcipe.

[fol. 4980] 5. A printed copy of the record in this cause as certified to this Court was served upon Appellee's counsel on April 24, 1925, but no exception was taken by Appellee's counsel to the omission of the Judge's certificate, nor was it in any way called to the attention of Appellant's counsel, nor known to them, until November 7, 1925, when there was served upon the solicitors for Appellant a notice of a motion to strike from the transcript of the record in this cause all that appears from pages 18 to 1577 of the transcript for the following reasons inter alia to wit: that the transcript shows that the "evidence and testimony taken at the trial before the District Court was not approved by the Court or Judge before whom said cause was tried, and was not signed, certified to or authenticated by said Court or Judge, and was never filed with such approval, certification or authentication in the office of the Clerk of the said District Court, and never became a part of the record in said cause for the purposes of the appeal herein."

6. At the hearing of this motion, on November 9, 1925, this Court ordered that the motion be continued and set for argument at the time of the argument of the appeal, which it is understood will be some time in April 1926.

7. This motion, and the grounds upon which it rests, were a surprise to Appellant's solicitors. They believe that a proper certification of the testimony and evidence may be had if this Court will permit and direct the transcript of the record now on file herein to be remitted to the District Court for this purpose.

It will not be possible, nor would it ever have been possible, to comply literally with Rule 14, because the Judge who tried the cause had died before the appeal was allowed; but it is believed that substantial compliance may be had by requesting the present Judge of said District Court to

sign a sufficient certificate that the stenographer's transcript is true and complete, and therefore approved by the Court or Judge which appears to be all that is required by Rule 75 of the equity rules of the Supreme Court.

It is believed that the remission of the transcript, and the securing of such certificate and its return to this Court, will be a matter of such short time as to in no wise delay the argument of this appeal.

8. For the complete preservation of Appellant's rights, it is requested that the order to be made by this Court expressly provide that the Certificate of Evidence and the entire transcript, when returned, be received and filed [fol. 4981] herein with the same force and effect as though it had been filed on July 3, 1925, being the date of the receipt of the original transcript.

Henry N. Paul, John B. Macauley.

[File endorsement omitted.]

In United States Circuit Court of Appeals

[Title omitted]

Order Setting Hearing—January 8, 1926

Now this day comes Mr. John B. Macauley and Mr. Henry N. Paul, Counsel for Appellant, and present a motion that the transcript of record filed in this cause be remitted to the District Court of the United States for the Southern District of Illinois, Southern Division, for the purpose of having appended to same a certificate of evidence.

It is now here ordered that the hearing on this motion be, and the same is hereby set down for January 29, 1926.

It is further ordered that the appellant may file a brief on [fol. 4982] said motion within seven (7) days from this date, and that appellee may file a reply thereto within seven (7) days thereafter.

IN UNITED STATES CIRCUIT COURT OF APPEALS

[Title omitted]

STIPULATION RE EXTENSION OF TIME—Filed January 9, 1927

It is hereby stipulated and agreed by and between counsel for the respective parties in the above entitled cause that the time of the appellant for the filing of its brief upon appellant's motion for an order remitting the certified copy of transcript of record to the District Court for permitting certificate of evidence, which motion is now set for hearing on January 29, 1926, be extended to the morning of Monday, January 18th, and that the time of appellee for filing its brief upon such motion be extended to Tuesday, January 26th, the time of said hearing remaining unchanged; and that an order of the Court be entered in accordance with this stipulation.

John B. Macauley, Solicitor for Appellant. Judah, Willard, Wolf & Reichmann, Solicitors for Appellee.

Chicago, Illinois, January 9, 1926.

Order as per Stipulation. Alschuler.

[File endorsement omitted.]

[fol. 4983] IN UNITED STATES CIRCUIT COURT OF APPEALS

ORDER EXTENDING TIME

[Title omitted]

Saturday, January 9, 1926.

Upon the filing of a stipulation of counsel, it is ordered that the time for filing brief for appellant on motion to remit the record in this cause to the District Court be, and the same is hereby extended to January 18, 1926, and that the time for appellee to file a brief in reply thereto, be, and the same is hereby extended to January 26, 1926.

[fol. 4984] Saturday, January 16, 1926.

On motion of counsel for appellee, it is ordered that the time for filing brief for appellee in this cause on the questions of title, validity and infringement be, and the same is hereby extended to and including February 15, 1926.

IN UNITED STATES CIRCUIT COURT OF APPEALS

ADDITION TO NOTICE AND MOTION

And afterwards, to wit: On the eighteenth day of January, 1926, there was filed in the office of the clerk of this court twenty printed copies of the Notice and Motion heretofore filed in this cause on January 4, 1926, and in addition to said Notice and Motion said printed copies contained the following:

On January 8, 1926, when the foregoing Motion was presented to the Court, it was ordered that Counsel should file Briefs thereupon, the Motion to be heard on January 29, 1926, at 9.30 A. M.

Appellant's Counsel now gives notice that at said hearing we shall move to add to the Motion on page 2, line 12, after the words "under the seal of said Court," the following words,—

"and for such further amendment, correction or amplifi-[fol. 4985] cation as the District Judge, may upon his attention being brought to the matter, see fit to make respecting the certification of the record; and also to enable the Clerk to add to the certified transcript a certified copy of the file marks upon the original stenographer's transcript of the proceedings at the trial as filed by the District Judge and referred to by him in his interlocutory decree of February 20, 1917; and also to obtain certification of certain printed copies of the specifications and drawings of four U. S. Patents as filed with the accounting master which are appended to the printed transcript in this case" (pages 4885 to 4907).

IN UNITED STATES CIRCUIT COURT OF APPEALS

[Title omitted]

ORDER REMITTING TRANSCRIPT—January 29, 1926

Upon the presentation of the motion for an order remitting the certified transcript of record in this cause to the District Court of the United States for the Southern District of Illinois, Southern Division, for the purpose of per-
[fol. 4986] mitting said court to append its certificate of evidence to that part of the record which sets forth the testimony and other evidence and proceedings had and taken before the said District Court on the trial of said cause, it is ordered by the court that this motion be, and the same is hereby granted.

It is further ordered that the clerk of this court be directed to remit the certified transcript of the record in this case to the District Court of the United States for the Southern District of Illinois, Southern Division, for the purpose of presenting to said court appellant's request that the court append its certificate of evidence to that part of the record which sets forth the testimony and other proceedings had and taken before the said District Court on the trial of said cause; and for such further amendment, correction or amplification as the District Judge may, upon his attention being brought to the matter, see fit to make respecting the certification of the record; and also to enable the clerk to add to the certified transcript a certified copy of the file marks upon the original stenographer's transcript of the proceedings at the trial as filed by the District Judge and referred to by him in his interlocutory decree of February 20, 1917; and also to obtain certification of certain printed copies of the specifications and drawings of four U. S. Patents as filed with the accounting master which are appended to the printed transcript in the case (pages 4885 to 4907); and it is further ordered that when said certificate of evidence has been signed by the judge of the court and affiexd to the transcript, said transcript be forthwith returned to this court, and it is further ordered that meanwhile this court retain jurisdiction of this appeal, which is not dismissed hereby, nor by any acts to be taken in accordance herewith, and that the case hold its place upon

the argument list of the court, and that the stipulations and orders heretofore made in this court for the filing of briefs for the argument of the cause remain in force notwithstanding the granting of this remittitur.

It is further ordered that the effect and validity of such certificates if obtained, shall be reserved for final determination of this cause.

[fols. 4987 & 4988] And afterwards, to wit: On April 10, 1926, the transcript of record in this cause, which had been remitted to the District Court pursuant to the order of this court entered on January 29, 1926, was returned to the files of this court, together with a supplemental transcript of record, which said supplemental transcript of record was filed on April 10, 1926 and is not copied here as the same appears on pages 4909 to 4959 inclusive, of the Printed Record in this cause as Volume X certified herewith.

[fol. 4989] In United States Circuit Court of Appeals

[Title omitted]

Suggestions for Dismissal.—Filed October 6, 1926

Comes now Standard Asphalt and Rubber Company, Appellee, and shows to the Court that the appeal herein should be dismissed for the following reasons and upon the following grounds, to wit:

1. That the appeal from the decree of title, validity and infringement should be dismissed for all the reasons heretofore set forth in Appellee's motion to dismiss said appeal filed herein on November 2, 1925.

2. That said appeal from the decree on title, validity and infringement should be dismissed for the further reason that the purported order of his Honor, Judge FitzHenry, entered on March 30, 1926, as set forth in the Supplemental Transcript of Record filed herein on April 13, 1926, at pages 4913-4915, was entered without power, authority or jurisdiction, and is void, and also that said purported order does not amount to, or constitute a certification of the al-

leged evidence taken on the trial of the issues of title, validity and infringement, and that said alleged evidence purporting to be set forth in the purported transcript of the record filed herein, on pages 18 to 1577, inclusive, has never been certified to by the District Court, and has never been or become a part of the record in said cause, all as required by law.

3. That said appeal from the decree on title, validity and infringement should be dismissed for the further reason that it affirmatively appears from the transcript of the record on file in this cause that all of the evidence purporting to have been taken on the trial of said issues has never been certified to by the District Court, and has never been filed in the office of the Clerk of this Court, for in that it appears from said purported transcript of the record that 14 exhibits offered by Appellee and received in evidence on the trial of said cause, out of a total of 26 exhibits so offered by Appellee and received in evidence, have not been made a [fol. 4980] part of the transcript of the record filed in this cause, nor certified to by the District Judge, nor filed in this Court; and that 20 exhibits offered by Appellant and received in evidence on the trial of said cause, out of a total of 41 exhibits so offered by Appellant and received in evidence, have not been made a part of the transcript of the record filed in this cause, nor certified to by the District Judge, nor filed in this Court; and that 9 exhibits offered by Appellant and received in evidence on the trial of said cause Appellant filed in the office of the Clerk of this Court on September 30, 1926, but without having attached thereto or connected therewith, directly or indirectly, any certificate of the District Court, but attached thereto merely a purported certificate of the Clerk of said District Court; and that because and in consequence thereof said 9 alleged exhibits have never been made a part of the record filed in this cause, and cannot within the law be taken cognizance of or considered by this Court on this appeal.

4. That said appeal from the decree on the accounting issues should be dismissed for the further reason that it affirmatively appears from the transcript of the record on file in this cause that all of the evidence purporting to have been taken on the trial of said accounting issue has never

been certified to by the District Court, and has never been filed in the office of the Clerk of this Court, for in that it appears from said purported transcript of the record that 48 exhibits offered by Appellee and received in evidence on the trial of said cause, out of a total of 82 exhibits so offered by Appellee and received in evidence, have not been made a part of the transcript of the record filed in this cause, nor certified to by the District Judge, nor filed in this Court; and that 33 exhibits offered by Appellant and received in evidence on the trial of said accounting issues, out of a total of 47 exhibits so offered by Appellant and received in evidence, have not been made a part of the transcript of the record filed in this cause, nor certified to by the District Judge, nor filed in this Court.

5. That out of a total of 196 exhibits offered by Appellee and Appellant and received in evidence on the trials of the titles, validity and infringement issues and on the accounting issues of said cause, 114 thereof have not been certified to by the District Judge nor made a part of the transcript of the record filed in this cause nor filed in this Court, and Appellee attaches hereto statements of such exhibits with the pages of the purported transcript of the record showing where each of said exhibits was offered and received in [fol. 4991] evidence and showing which of said exhibits have been incorporated in the purported transcript of the record on file in this cause and which have not been so incorporated and have never been certified to, made a part of the record in this cause nor filed in this Court.

IN UNITED STATES CIRCUIT COURT OF APPEALS

[Title omitted]

MINUTE ENTRY OF MOTION TO DISMISS—October 6, 1926

Now this day come the parties by their counsel, and counsel for appellee presents a motion that this appeal be dismissed, and the court having heard the oral arguments of Mr. A. F. Reichmann, counsel for appellee, in support of said motion, and by Mr. Charles Neave, counsel for appellant, in opposition thereto, takes this matter under advisement.

In United States Circuit Court of Appeals

Minute Entry of Submission—October 6, 1926

Now this day come the parties by their counsel, and this cause now comes on to be heard on the printed record and briefs of counsel and on oral arguments by Mr. Charles Neave and Mr. Henry N. Paul, counsel for appellant, and by Mr. A. F. Reichmann, counsel for appellee, and the court having heard the same takes this matter under advisement.

[fol. 4992] In United States Circuit Court of Appeals for the Seventh Circuit, October Term and Session, 1926

No. 3614

Barber Asphalt Paving Company, a Corporation, Appellant,

vs.

Standard Asphalt & Rubber Company, a Corporation, Appellee

Appeal from the District Court of the United States, for the Southern District of Illinois, Southern Division

Opinion—Filed December 13, 1926

Before Evans, Page, and Anderson, Circuit Judges

Opinion by Page, Cir. J.:

The suit by appellee, called plaintiff, against appellant, called defendant, charged infringement of Culmer Patents Nos. 635429 and 635430. Judge Humphrey's decree, filed February 20, 1917, found infringement, ordered an accounting, and appointed a master to make an accounting. As the patents had expired, no injunction was ordered.

Judge Humphrey died in June, 1918. Judge FitzHenry, on April 30, 1924, entered a final decree on the accounting in favor of plaintiff. July 1, 1924, appeal was allowed, assignments of errors filed, and citation issued. Super-

sedeas bond was filed July 5, 1924. On defendant's request, twelve thirty-day extensions of time for filing the record in this court were allowed, the last one expiring July 26, 1925.

On April 24, 1925, nearly 300 days after the citation, defendant served upon plaintiff a præcipe, in part as follows:

"Please prepare a transcript of the record in the above [fol. 4993] entitled cause for use on appeal, including therein copies of the following: * * * Certificate of evidence, consisting of printed pages 24 to 1215, inclusive, pages 1222 to 4591, inclusive, and the following exhibits * * *."

Preceding that item, were requests for the pleadings and some other items. Following it, was a request for a portion of the exhibits. No condensed statement of the evidence was filed.

June 24, 1925, two days before the expiration of the last extension, the clerk of the District Court attached his certificate to the record. On July 3, 1925, one copy of the record was filed in this court. The required number of copies were filed November 2, 1925.

November 9, 1925, plaintiff moved to dismiss the appeal because no proper record had been filed here, one reason being that there was no certificate of evidence as required by Equity Rule 75. Sixty days thereafter, defendant moved to remit the record to the District Court for its certificate and for other purposes. January 29, 1926, that motion was allowed.

April 13, 1926, two years after the final decree, the District Court's certificate to the record was filed here.

As originally filed, the record, of nearly 5,000 pages, was printed in nine volumes, apparently containing everything in the proceedings in the court below. Nothing was eliminated, nothing condensed. The court's belated certificate neither required nor made any change in the record already here, except in two particulars,—it did not certify, but directed the clerk of the District Court to certify, certain exhibits, which were already in the record, and to amend the record and add "any file marks appearing upon the original stenographer's transcript, etc." The clerk complied with the first direction, but we are unable to determine whether

or not he complied with the second. The court ordered, as a part of his certificate:

"Upon the request of the said defendant * * * the court hereby directs that all the testimony in this cause be reproduced in the exact words of the witnesses, and not in narrative form."

The record is here, with the judge's certificate added, just as it came originally, except that the four exhibits, directed to be added by the clerk, are now in the record twice.
[fol. 4994] Plaintiff is insisting on its motion to dismiss for failure to comply with Equity Rule 75.*

Fourteen years ago, the Supreme Court, approving a record in a case then before it, said it was in compliance with the spirit of Rules 75, 76 and 77,

"which call for just such a winnowing out of the useless; the presentation of only the relevant parts of the exhibits,

*75. Record on Appeal—Reduction and Preparation. In case of appeal (a) It shall be the duty of the appellant or his solicitor to file with the clerk of the court from which the appeal is prosecuted, together with proof or acknowledgment of service of a copy on the appellee or his solicitor, a praecipe which shall indicate the portions of the record to be incorporated into the transcript on such appeal. Should the appellee or his solicitor desire additional portions of the record incorporated into the transcript, he shall file with the clerk of the court his praecipe also within ten days thereafter, unless the time shall be enlarged by the court or a judge thereof, indicating such additional portions of the record desired by him.

(b) The evidence to be included in the record shall not be set forth in full, but shall be stated in simple and condensed form, all parts not essential to the decision of the questions presented by the appeal being omitted and the testimony of witnesses being stated only in narrative form, save that if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness. The duty of so condensing and stating the evidence shall rest primarily on the appellant, who shall prepare his statement thereof and lodge the same in the clerk's office for the examination of the other parties at or before the time of filing his praecipe under paragraph (a) of this rule. He shall also notify the other parties or their solicitors of such lodgment and shall name a time and place when he shall ask the court or judge to approve the statement, the time so named to be at least ten days after such notice. At the expiration of the time named or such further time as the court or judge may allow, the statement, together with any objections made or amendments proposed by any party, shall be presented to the court or the judge, and if the statement be true, complete and properly prepared, it shall be approved by the court or judge, and if it be not true, complete or properly prepared, it shall be made so under the direction of the court or judge and shall then be approved. When approved, it shall be filed in the clerk's office and become a part of the record for the purposes of the appeal.

(c) If any difference arise between the parties concerning directions as to the general contents of the record to be prepared on the appeal, such difference shall be submitted to the court or judge in conformity with the provisions of paragraph (b) of this rule, and shall be covered by the directions which the court or judge may give on the subject.

documents, tables, and reports; and the elimination of all reduplications in written and oral testimony and a condensation into narrative form of what is material to the then issue before the court." (Louisville & Nashville R. R. Co. v. U. S., 238 U. S. 11.)

Since then, the Supreme Court and many Courts of Appeal have pointed out the purpose of the rule and the necessity of observing it, but the condition of this record and of numerous other records before us at this term indicates [fol. 4995] that transition from the old practice to that under Rule 75 has been neither accomplished nor commenced.

By order of the Supreme Court, the rule became effective February 1, 1913. In 1914, the Sixth Circuit Court of Appeals, in Re General Equity Rule 75 and Our Rule 15, 222 Fed. 884, held that: without an order made at the term decree is entered, carrying the matter over to the next term, the court has the power, at a subsequent term, to approve and direct the filing of the statement of evidence required by Rule 75 (See also Goodwin v. U. S., 295 Fed. (6th C. C. A., 1924) 856); that the perfection of the appeal by the approval of the bond and signing of citation yet leaves in the court the jurisdiction to settle the evidence, that proceeding being ministerial; that where the rule is wholly disregarded, the drastic remedy of dismissal may be necessary; and, where the record reaches the court containing the evidence in full, general equity Rule 76 provides a remedy which, at least during the transition in general practice, will be sufficient. Strnett v. Hill, 269 Fed. (9th C. C. A., 1920) adopted and followed the above practice. Sussex Land & Livestock Co. v. Midwest Refining Co., 294 Fed. (8th C. C. A., 1923) 597, 600, followed the Sixth and Ninth Circuit holdings, supra. The rule was before the court, in an incidental way, in U. S. v. Great Northern Ry. Co., 254 Fed. 522, 526 (9th C. C. A.) in 1918. In Carson v. Hunt, 250 Fed. (5th C. C. A., 1918) 30, 33, where a statement of the evidence was prepared by the parties but not approved by the court and there was nothing to show that it contained all the evidence, the court said it would be presumed that there was other evidence in the record to support the decree.

In Buessel v. U. S., 258 Fed. (2nd C. C. A., 1919), 811, 822, the equity practice prior to the rule is reviewed. The court said:

"Whatever may or may not have been the practice in this circuit prior to 1912 in the matter of preparing the record in an appeal, the subject is governed by rules 75, 76, and 77, as framed by the Supreme Court, and that there is no power in this court to exempt a particular case from their operation. The rules, having been promulgated under the authority of an act of Congress, have the authority of statutory regulation. Winter v. Ludlow, 104 Fed. Cas. No. 17,891."

The court further said:

"As the testimony in the transcript in this case is not there in conformity to Rule 75 we cannot consider it."

[fol. 4996] In Buckeye Cotton Oil Co. v. Ragland, 11 Fed. (2d) (5th C. C. A., 1926) 231, 232, the court said:

"We are of opinion that equity rule 75 does not contemplate that the trial court will order all the testimony in a case sent up in question and answer form. If particular answers of a witness are subject to different interpretations, the questions which elicited such answers frequently aid in determining which interpretation is correct. For that reason the rule provides, by way of exception, 'that if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness.' The rule was designed to prevent the imposition of such a record as this upon an appellate court. Newton v. Consolidated Gas Co., 258 U. S. 165, 42 S. Ct. 264, 66 L. Ed. 538; Houston v. Telephone Co., 259 U. S. 318, 42 S. Ct. 486, 66 L. Ed. 961. * * * We will not enforce the rule in this case, but only for the reason that counsel might have construed the order allowing the appeal to authorize the record in its present shape."

In Re Jewell Electrical Instrument Co., 283 Fed. (7th C. C. A., 1922) 978, 980, this court said:

"It is needless to test whether appellant's proposition is sustained by its citations of Conn v. Penn, 5 Wheat. 424, Blease v. Garlington, 92 U. S. 1, and First Nat. Bank

v. Abbott, 165 Fed. 852, under former rules, for under present equity rule 46 respecting oral testimony in open court and equity rule 75, concerning an appellant's duty to procure the trial judge's certification of the evidence (like a bill of exceptions on the law side) and his duty to file it with the clerk of the trial court and his duty to include within his præcipe those portions of the record which establish the existence of error in the decree, there is no room for contending that error must be presumed."

In Newton v. Consolidated Gas Co., 258 U. S. 165, 173 (1911) the court said, in part:

"Equity Rules 75 and 76 direct that records on appeal shall not set forth the evidence fully but in simple condensed form and require omission of non-essentials and mere formal parts of documents. Without apparent attempt to comply with these rules and with assent of appellee's counsel, appellants in No. 257 have filed a record of 21 volumes—twenty thousand printed pages—made up largely [fol. 4997] of stenographic reports of proceedings before the Master with hundreds of useless exhibits and many thousand pages of matter without present value. This is indefensible practice which we shall hereafter feel at liberty to punish to the limit of our discretion—possibly by dismissal of the appeal. These rules were intended to protect the courts against useless, burdensome records and litigants from unnecessary costs and delay. Counsel ought to comply with them, and trial courts should enforce performance of this plain duty."

See also Peterson v. Mobile Gas Co., 271 U. S. 131.

In Houston v. Southwestern Tel Co., 259 U. S. 318, 325 (1921), the court said:

"Equity rule No. 75 provides that evidence to be included in the record shall not be set forth in full but shall be stated in a simple and condensed form, and Rule 21 of this court provides that briefs of the argument shall be filed in each case, with references to the pages of the record and the authorities relied upon in support of each point. The first of these rules has been wholly ignored in the printing of this record and the second has been so neglected in the preparation of the briefs that it is impossible for the

court to consider this question except by itself reading and briefing the voluminous record. This we cannot consent to do, and for the reason that the record and briefs are not prepared in conformity with the rules prescribed by this court, we decline to consider this assignment of error."

Outstanding provisions of the rule are that: (a) all parts of the evidence not essential to the decision presented by appeal shall be omitted; (b) the evidence shall not be set forth in full, but shall be stated in condensed form; (c) testimony of witnesses shall be stated only in narrative form, save that the court may direct any part of the testimony to be reproduced in the exact words of the witness; (d) the burden of preparing the statement of the evidence, filing it with the clerk at or before the time of filing the praecipe, notifying the appellee and fixing a date for hearing before the judge, are placed on the appellant; (e) when the parties and the court have made up a statement that is "true, complete and properly prepared," the court is empowered and required to approve it. Excuse for not complying with (a), (b) and (c) is not attempted. For failure, during the two years between the final decree and the District Court's certificate, to [fol. 4998] comply with (d) no reason is offered. Since then it is urged that the court ordered as follows:

"Upon request of said defendant * * * the court hereby directs that all the testimony in this cause be reproduced in the exact words of the witnesses."

It is not within the power of the District court or judge to make such an order. The order is not in harmony with the spirit of Rule 75. The equity rules have the force of statutory enactments. Buessel v. U. S., supra. The duty of the court or judge in connection with the preparation of the statement is set out in the rule. The only power of approval vested in the court is found in the following language of the rule:

"If the statement" (when presented) "be true, complete and properly prepared, it shall be approved by the court or judge."

That must mean that it shall comply with the rule.

In a proper statement, the evidence: (a) must be condensed; (b) all parts not essential to a decision of the ques-

tions on appeal shall be omitted; and (c) the testimony of witnesses must be stated in narrative form only, with the single exception,

"That if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness."

That provision means that when the court or judge, being familiar with the evidence, finds that to properly present the questions on appeal it is desirable that a part of the testimony of a witness shall be reproduced in his exact words, he may so direct. It is not within the purpose and spirit of the rule to put in a statement the whole of the testimony of any witness or of all the witnesses.

No question raised by the errors assigned can be determined without a consideration of the evidence, and, it not being properly before us, the decree is affirmed.

[fols. 4999 & 5000] In United States Circuit Court of Appeals

[Title omitted]

Judgment—December 13, 1926

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Southern District of Illinois, Southern Division and was argued by counsel.

On consideration whereof: It is now here ordered, adjudged and decreed by this court that the decree of the said District Court in this cause be, and the same is hereby affirmed with costs and interest until paid at the same rate that similar judgments bear in the courts of the State of Illinois.

And afterwards, to wit: On the thirty-first day of December, 1926, there was filed in the office of the clerk of this court a certain Petition for Rehearing and Motion to Vacate Order and Direct Condensation of the Record, which said Petition and Motion are in the words and figures following, to wit:

IN THE

United States Circuit Court of Appeals

FOR THE SEVENTH CIRCUIT.

THE BARBER ASPHALT COMPANY, *Appellant.* *vs.* STANDARD ASPHALT AND RUBBER COMPANY, *Appellee.*	No. 3614.

PETITION FOR REHEARING.

To the Honorable the Judges of United States Circuit Court of Appeals for the Seventh Circuit.

And now this 31st day of December, 1926, comes the appellant, The Barber Asphalt Paving Company, and prays this court:

(a) To reconsider and decide this cause upon the merits; or

(b) To grant a hearing upon the reasons and grounds which have led this court to declare in its opinion filed December 13, 1926, that the evidence in this cause is not properly before the court, there being before this court no motion raising this question, and no hearing having yet been had upon it; and

(c) To make an order directing the lower court to now entertain procedure in accordance with Equity Rule 75b to bring about a statement of the evidence in simple and condensed form; and

(d) Upon being advised that this has been done to thereupon issue a writ of certiorari to the lower court

to bring up to this court such simple and condensed statement as a part of the record on appeal; and

(e) To make such orders in relation to the transcript of the evidence which is now before this court as may seem right and necessary and just in this cause;

(f) That pending the further order of this court the mandate be withheld.

All for the following reasons:

1. There has been no motion by appellee in this case to dismiss this appeal because the record has not been condensed, although this court in its opinion seems to have based its action upon a belief and statement that such a motion exists.

2. This court after having the record before it ordered it sent down to the lower court in order that it might be returned with a certificate of evidence without ordering or suggesting that the record ought to be condensed.

3. The decree in this court involves the sum of nearly a million dollars, and it is not just that defendant in this case should be penalized in this sum because there was not strict conformity to a rule of practice upon a point on which this court has for fourteen years permitted such nonconformity, as counsel believed because the court so wished it.

4. A majority of the Circuit Courts of Appeal have after a fair trial of the rule requiring condensation of record found it difficult of application in certain classes of cases, and have thought it undesirable to apply the rule too strictly, and have sanctioned liberality of construction of the language "any part of the testimony." The views of the judges of these courts upon this point have been well known to the patent bar and have been reflected in a practice which in those circuits

has made condensation of the record the exception rather than the rule. Appellant's counsel in the present case had every reason to believe, and did believe, that this court shared the view of these other Circuit Courts of Appeal and would adhere to its similar practice, and that in obtaining certification of a complete transcript of the evidence such counsel were only doing that which was in accordance with the long recognized practice of this court. And it is believed that this court should have made some announcement of its change of practice before imposing the penalty of dismissal.

5. The holding by this court that courts are without power to direct the sending to the Appellate Court of an uncondensed transcript, and that if they do so the transcript must be ignored and the appeal dismissed, is a dangerous limitation upon the powers of the court, and a violation of the letter and spirit of Section 269 of the Judicial Code as amended February 26, 1919, subsequent to the promulgation of Equity Rule 75.

6. As the transcript now stands this court has before it in a separate exhibit book the documents upon which plaintiff has rested its proof of title, which title is denied by the defendant. There is no testimony on this issue, and therefore nothing to simplify or condense, and this court should under its present ruling have passed upon this question of title, even if the other issues are not now properly before the court.

7. Now that the desires and position of this court have been made clear by the opinions of this court filed in this and other causes, counsel in this case, and doubtless in all others, know what to do and will earnestly strive to comply with the rule. In the present case the work of preparing a condensed and simplified transcript was begun immediately upon the filing of the opinion in this case and is proceeding as rapidly as feasible.

to bring up to this court such simple and condensed statement as a part of the record on appeal; and

(e) To make such orders in relation to the transcript of the evidence which is now before this court as may seem right and necessary and just in this cause;

(f) That pending the further order of this court the mandate be withheld.

All for the following reasons:

1. There has been no motion by appellee in this case to dismiss this appeal because the record has not been condensed, although this court in its opinion seems to have based its action upon a belief and statement that such a motion exists.

2. This court after having the record before it ordered it sent down to the lower court in order that it might be returned with a certificate of evidence without ordering or suggesting that the record ought to be condensed.

3. The decree in this court involves the sum of nearly a million dollars, and it is not just that defendant in this case should be penalized in this sum because there was not strict conformity to a rule of practice upon a point on which this court has for fourteen years permitted such nonconformity, as counsel believed because the court so wished it.

4. A majority of the Circuit Courts of Appeal have after a fair trial of the rule requiring condensation of record found it difficult of application in certain classes of cases, and have thought it undesirable to apply the rule too strictly, and have sanctioned liberality of construction of the language "any part of the testimony." The views of the judges of these courts upon this point have been well known to the patent bar and have been reflected in a practice which in those circuits

has made condensation of the record the exception rather than the rule. Appellant's counsel in the present case had every reason to believe, and did believe, that this court shared the view of these other Circuit Courts of Appeal and would adhere to its similar practice, and that in obtaining certification of a complete transcript of the evidence such counsel were only doing that which was in accordance with the long recognized practice of this court. And it is believed that this court should have made some announcement of its change of practice before imposing the penalty of dismissal.

5. The holding by this court that courts are without power to direct the sending to the Appellate Court of an uncondensed transcript, and that if they do so the transcript must be ignored and the appeal dismissed, is a dangerous limitation upon the powers of the court, and a violation of the letter and spirit of Section 269 of the Judicial Code as amended February 26, 1919, subsequent to the promulgation of Equity Rule 75.

6. As the transcript now stands this court has before it in a separate exhibit book the documents upon which plaintiff has rested its proof of title, which title is denied by the defendant. There is no testimony on this issue, and therefore nothing to simplify or condense, and this court should under its present ruling have passed upon this question of title, even if the other issues are not now properly before the court.

7. Now that the desires and position of this court have been made clear by the opinions of this court filed in this and other causes, counsel in this case, and doubtless in all others, know what to do and will earnestly strive to comply with the rule. In the present case the work of preparing a condensed and simplified transcript was begun immediately upon the filing of the opinion in this case and is proceeding as rapidly as feasible.

1. THERE HAS BEEN NO MOTION BY APPELLEE IN THIS CAUSE TO DISMISS THIS APPEAL BECAUSE THE RECORD HAS NOT BEEN CONDENSED.

The facts are these:

On November 9, 1925, counsel for both parties appeared before this court in chambers and counsel for appellant presented a motion to separate and divide the argument hearing the cause on the merits first, and the questions of accounting afterwards, if necessary. In opposition to this motion appellee's counsel filed "Reasons Why Said Motion Should Be Denied". One of these (4) was that the transcript of the record was not stated in simple and condensed form. But appellant's motion was denied upon the hearing for other reasons.

Immediately following the disposition of this motion appellee presented its motion to strike from the transcript of the record herein all the evidence taken at the trial on the issues of title, validity and infringement of the patents in suit for three reasons of which the first two have to do with the appealability of certain parts of the decrees of the lower court, while the third was upon the ground that the evidence was not proved and certified to by the lower court, lacking any "certificate of evidence" and therefore "never became a part of the record in said cause for the purpose of the appeal herein or as required by Rule 75 of the Rules of Courts of Equity of the United States". In this motion nothing was said about the matter of a condensed record.

The full transcript of the evidence had been certified by the clerk of the court in accordance with a praecipe which had been served upon appellee's counsel on April 24, 1925 that is to say over six months before appellee's

motion. No objection had been made by appellee to this praecipe, although it specified the testimony already printed and in uncondensed form. Nor was this form of record made a ground of appellee's motion, on November 9, 1925. The court then ordered appellee's motion to stand until the final hearing of the cause.

Thereupon and in order to cure any defect in the record by reason of the lack of a certificate of evidence, this being the only point which had been raised by the appellee in its motion, appellant presented to this court on January 8, 1926, its motion for an order remitting the certified transcript of record to the District Court for permitting a certificate of evidence. This motion was opposed by appellee's counsel as coming too late, but the court stated that the question was of sufficient importance to warrant more full hearing on a later date, and it was thereupon ordered that the motion should be heard on January 29, 1926, on which date a full hearing occurred upon printed briefs which are on file in this court.

But on neither of these hearings, either orally or by formal motion or in its briefs, did appellee present any motion that the appeal ought to be dismissed for lack of a condensed record. The fact of noncondensation of the record was briefly referred in appellee's brief on this motion at the bottom of page 34, but it was not made the ground of any motion to dismiss the appeal and to have done so would have been inconsistent with that which appellee's counsel were then urging, namely, that only a certain part (to wit the trial record alone) should be stricken from the transcript upon the sole ground that it lacked a certificate of evidence. Appellee's counsel expressed their readiness to argue the questions arising upon the accounting on the record as

it stood which of course could not have been done had appellee insisted that the accounting evidence must be reduced to narrative form.

On the day of the later hearing, to wit, January 29, 1926, this court made its order (which appears on page 4910 of the printed record) remitting the transcript to the District Court in order that appellant might request the court for a certificate of evidence to the trial record (but not referring to the accounting record because appellee's counsel had expressed their satisfaction as to this); and for further amendment in certain minor points which had been brought to the attention of the court by appellant's motion and as to which the certified transcript appeared to be defective.

Thereupon counsel for both sides appeared before the District Court and a certificate of evidence was obtained, and by way of abundant caution the certificate was made to apply to the entire record, and upon the situation being explained to the District Judge he added to the order his direction that all of the testimony in the cause be reproduced in the exact words of the witnesses and not in narrative form. Such an order had not been secured previously because of the acquiescence of appellee's counsel in the praecipe calling for the entire record, and his failure to move for a condensation of the record; but it was deemed best by both court and counsel to have the matter made the more certain by the explicit order of the court.

In this shape the cause came on for argument before this court on October 7, 1926, and was on that day argued upon the merits. Upon appearing before the court on the morning of the argument appellee's counsel filed a motion setting forth five new technical reasons why the appeal should be dismissed. This motion in no way

suggested any defect in the record by reason of its non-condensed form, nor was there any reference to Rule 75, but on the contrary and inconsistent therewith, this motion after repeating its insistence upon the reasons set forth in the motion to dismiss filed November 9, 1925, (which said nothing about condensation of the record) added four others, of which that numbered 2 questioned the power of Judge Fitzhenry to execute any certificate of evidence after the transcript of evidence had been filed in this court; while the remaining three reasons were all based upon the allegation that the transcript of record now before this court failed to contain certain documents and exhibits which appellee asserted ought to have been included. These had not been included in appellant's praecipe and appellee had not exercised its privilege of filing a supplementary praecipe, and of course this court gave no effect to appellee's belated motion, and heard argument only upon the merits.

2. THIS COURT AFTER HAVING THE RECORD BEFORE IT ORDERED IT SENT DOWN TO THE LOWER COURT IN ORDER THAT IT MIGHT BE RETURNED WITH A CERTIFICATE OF EVIDENCE WITHOUT ORDERING OR SUGGESTING THAT THE RECORD OUGHT TO BE CONDENSED.

At all of the hearings of the motions above recited the printed transcript of the record in this case in ten volumes was physically and actually before this court. Reference was made more than once by counsel to the fact that on account of the complexity of the issues and the character of the case the testimony had been certified in full. If this court had given counsel an indication of its desire to then and there change the established practice of this court as existing for fourteen years, counsel could and would have added to its motion to remand a request that when remanded the District Court should be directed to institute procedure under Rule 75b for the condensation of the record. Had this suggestion been made by this court, all of the present difficulty might have been avoided without any more delay than has occurred, as abundant time for this purpose elapsed after the issuance by this court of its remittitur and the return of the newly certified transcript to this court.

3. THE DECREE IN THIS COURT INVOLVES THE SUM OF ALMOST ONE MILLION DOLLARS AND IT IS NOT JUST THAT DEFENDANT IN THIS CASE SHOULD BE PENALIZED IN THIS SUM BECAUSE THERE WAS NOT STRICT CONFORMITY TO A RULE OF PRACTICE UPON WHICH THIS COURT HAS FOR 14 YEARS PERMITTED SUCH NONCONFORMITY, AS COUNSEL BELIEVED BECAUSE THE COURT SO WISHED IT.

As we believe appellant to have presented just cause for reversal of the decree, and as its affirmance makes appellant liable in the sum named, it is evident that for failure to comply with a rule of procedure as to which this court has remained silent for fourteen years, during all of which time a contrary practice has been persistently and consistently followed by counsel and authorized by the court, the defendant is penalized to the extent of the judgment in this case, and deprived of a decision on the merits of the case.

The records of this court for the last five years have been searched for the purpose of verifying this statement, and it is found that in over one hundred cases this court has received uncondensed transcripts, permitted argument upon them, and decided the case upon the merits, in which a certified transcript of substantially the entire evidence in question and answer form was brought before this court. These cases are listed in detail in an Appendix to this Petition. We have been limited to this five-year period for investigation by lack of time, but it will be sufficient as it shows that the practice of this circuit in regard to noncondensed records was continued and permitted by this court after the decisions of the Supreme Court in 1921.

While in an opinion which has been filed in this court,

on December 22, 1926 (*Clark Manufacturing Co.* against *Tablet & Ticket Co.*) this court states that for fourteen years the courts have appealed to the bar to comply with this rule, and that "they have scolded and they have threatened", yet counsel cannot find reference to this subject in any recorded opinion of this court, nor can they, nor members of the bar to whom they have appealed, recall ever having heard any such appeal, statement, scolding or threatening by this court.

The opinion which has been filed in this cause truthfully asserts that the transition from the old practice to that of Rule 75 has in this court been neither accomplished nor commenced. Counsel feel sure that had the wishes of this court been made clear by any of the methods which have been adopted by certain other courts, the change of practice would long ago have been accomplished. In the year 1921 (and not before) the Supreme Court of the United States made its wishes clear in the cases of *Newton* against *Consolidated Gas Co.*, 258 U. S. 165, and in *Houston* against *Southwestern Telephone Co.*, 259 U. S. 318. (The opinion of this court is in error in assigning the former case to the year 1911). Prior to these decisions the practice in the Supreme Court had been largely to the contrary, influenced by the decision of that court in *United States* against the *United States Steel Co.* 240 U. S. 442. We know of no case in which the Supreme Court has dismissed an appeal for lack of compliance with this rule.

But the rule being primarily for the benefit of Circuit Courts of Appeal, and a very small proportion of cases to which it applies ever reaching the Supreme Court of the United States, the bar have in the latter class of cases been guided, and we believe properly so,

by the wishes of the Circuit Courts of Appeal themselves, as the only courts who have to deal with the record and which are entitled to have them in the shape in which they wish them.

When the Sixth Circuit Court of Appeals in 1914 desired to make clear its wishes in regard to the carrying out of the rule as to the condensation of records it issued a statement (*in re* General Equity Rule 75, 222 Fed. 884) and in this way secured strict compliance with the rule in that circuit ever since. We understand it was never found necessary to dismiss any cases because of infraction of the rule in that circuit.

When in January 1926 the Fifth Circuit Court of Appeals desired to make clear its views it said so in an opinion (*Buckeye Cotton Oil Co.* against *Hagland*, 11 Fed. (2), 231) but it expressly refrained from enforcing the rule in the case in which the decision was made.

No case is known anywhere prior to the present case in which dismissal of the appeal has been the penalty for infraction of this rule of condensation.

When this appeal had been perfected and the time came to obtain a certificate of the record, counsel conferred and carefully considered the course to be pursued. The senior counsel for appellant was the late Mr. Edward Rector of Chicago. He stated that in his experience he had found that this court was accustomed to receive and hear cases upon a transcript of the whole record and that he believed it to be the proper practice to pursue in this case. This advice was accepted and acted upon and was, we believe, the best advice which could have been obtained at the time. He could not have foreseen that the practice of this court might change so suddenly without notice.

In confirmation of all that we have said as to the previous practice of this court we quote from Judge Alschuler's dissenting opinion in *Clark* v. *Tablet & Ticket Co*:

> "this court's long acquiescence in the practice here followed makes it highly inequitable here to impose the capital penalty of affirmance without first affording opportunity to comply with the rule, in whose long nonobservance this court has, at least impliedly, seemed to invite litigants to continue."

4. A MAJORITY OF THE CIRCUIT COURTS OF APPEAL HAVE, AFTER A FAIR TRIAL OF THE RULE REQUIRING CONDENSATION OF RECORDS, FOUND IT DIFFICULT OF APPLICATION IN CERTAIN CLASSES OF CASES, AND HAVE THOUGHT IT UNDESIRABLE TO APPLY THE RULE TOO STRICTLY, AND HAVE SANCTIONED LIBERALITY OF CONSTRUCTION OF THE WORDS "ANY PART OF THE TESTIMONY."

The views of the judges of these courts being well known to the patent bar have been reflected in a practice which in those circuits has made condensation of the record the exception rather than the rule. This does not imply any opposition to the rule in general but only a desire to apply it with discretion according to the circumstances of the case.

Appellant's counsel believed that this court shared the view of these other Circuit Courts of Appeal, and would adhere to its similar practice, and that in obtaining certification of a complete transcript of evidence in this case such counsel were only doing that which was in accordance with the long recognized practice of this court. And it is believed that this court should have made some announcement of its change of practice before imposing the penalty of dismissal.

As most equity appeals, particularly patent cases, proceed no farther than the Circuit Court of Appeals, the patent bar have been in the habit of preparing the record on appeal in each different circuit as far as possible in accordance with either the known wishes of the judges of the Appellate Court of that circuit, or the practice of that court. This is inevitable in a situation where there has been as wide diversity of opinion concerning a rule and its application as has existed concerning this one.

It has been the experience of many counsel thus practicing, where the attempt was made to strictly carry out its provisions, that in certain cases after preparing a careful condensation in narrative form of the entire record at the expense to the client, often of many thousands of dollars, the work has all gone for nothing. Upon presenting the condensation to the court in accordance with the rule appellee's counsel has prepared a widely differing condensation and been unwilling to agree to anything else. Thereupon the District Judge has been asked to take up and settle the differences. In many cases the District Judge has refused to do this and has advised counsel that the only thing to do is to certify the entire record and thereupon made an order to this effect. The charges for useless labor thus incurred are not easily borne by the client. Again, where such condensed records were found feasible and certified to the Court of Appeals it occurred that the Court of Appeals raised objection to the form of the record stating that they much preferred to have the testimony before them in full in order that the accuracy of the witness might be tested by the reading of his deposition as taken. It naturally came about that in those circuits where the judges had thus expressed themselves, or where by tacit acquiescence in the practice it was assumed that their views were of this nature, counsel have always tried to conform to the views of that Court of Appeals to which the record was to be taken.

Accordingly it is believed that an examination of the records of the Courts of Appeal for the First, Second, Third and Fourth Circuits would show a general practice extending over many years past, of receiving, considering and passing upon the merits of cases thus

brought up upon uncondensed transcripts. Until the decision in this case this was believed to be the established practice of the Seventh Circuit also.

In the Fifth and Sixth Circuits the views of the Court of Appeals are well understood and they are of course followed and the records condensed. In the Eighth and Ninth Circuits it is believed that the practice still prevails very generally of sending up and using in the Court of Appeals the complete transcript of the record.

Subsequent to those decisions of the Supreme Court in 1921 re enforcement of the rule, Chief Justice Taft sat as presiding member of the Court of Appeals for the Fourth Circuit in *Wire Wheel Co.* v. *Budd Wheel Co.*, 288 Fed. 308. The testimony was before the court in question and answer form with no condensation and no reduction to narrative form. The case was decided upon the merits without criticism of the state of the transcript. Plaintiff-appellant was represented by a member (Mr. Davis) of the same firm (Rector, Hibben, Davis & Macauley) of which counsel in the case at bar is and was a member (Mr. Hibben).

Under these circumstances it is thought that this court will see the importance of giving fair notice to counsel as to the wishes of the court, or as to any change in practice, before refusing to hear an appeal upon the merits because the evidence has been certified in full.

5. THE HOLDING BY THIS COURT THAT COURTS ARE WITHOUT POWER TO DIRECT THE SENDING TO THE APPELLATE COURT OF AN UNCONDENSED TRANSCRIPT AND THAT IF THEY DO SO THE TRANSCRIPT MUST BE IGNORED AND THE APPEAL DISMISSED, IS A DANGEROUS LIMITATION UPON THE POWERS OF THE COURT, AND A VIOLATION OF THE LETTER AND SPIRIT OF SECTION 269 OF THE JUDICIAL CODE AS AMENDED FEBRUARY 26, 1919, SUBSEQUENT TO THE PROMULGATION OF EQUITY RULE 75.

As to the holding of this court that the equity rules have the force of a statute and that "it is not within the power of a District Court or Judge to make such an order" as was made in this cause by the lower court, directing that the testimony be reproduced in the exact words of the witnesses; we respectfully suggest the following necessary consequence of the holding:

If this interpretation be correct it follows that neither has this court nor the Supreme Court the power to make such order, for both are bound by statute. Cases must in the future arise in which this court will earnestly wish to have a verbatim transcript in order to know what the witnesses have said, and so the better to do justice; but the hands of the court are tied and justice cannot be done in this way.

This court has in the past several times experienced the force of this and made orders directing the complete record to be sent up on appeal.

On November 4, 1925, Judges Alschuler, Evans and Anderson, sitting in this court, heard a motion in the case of *Bestwall Manufacturing Co. v. U. S. Gypsum Co.* (No. 3693) for leave to reproduce the testimony

taken in the lower court in full in the appeal transcript, and in pursuance thereof ordered

> "that in preparing the transcript of the record on the appeal in this cause all of the testimony shall be reproduced in the exact words of the witnesses."

On December 11, 1925, Judge Evans, sitting in this court made such an order in the case of *Wirebound* v. *Gibbons* (No. 3650).

On April 21, 1926, Judge Alschuler, sitting in this court made such an order in the case of *Deer Co.* v. *U. S. Slicing Machine Co.* (No. 3756).

On May 17, 1926, Judge Evans, sitting in this court made such an order in the case of *Fairbanks Morse & Co.* v. *American Valve & Meter Co.* (No. 5776).

And in the other circuits hundreds, probably thousands of cases are *in consimile casu* and *must* be dismissed, if this court has correctly interpreted the law.

In 1919 after the promulgation of the rule requiring condensation of the record, Sec. 269 of the Judicial Code was amended to read:

> "On hearing of any appeal * * * the Court shall give judgment after examination of the *entire* record before the Court, without regard to technical errors, defects, or exceptions which do not affect the substantial rights of the parties."

This would seem to mean, as applied to the requirements of Equity Rule 75, that in case of its infraction (as the rule does not concern the substantial rights of the parties, but only court procedure) the remedy is to be found in the provisions of Equity Rule 76, as to the imposition of costs. And the last paragraph of Rule 75 empowers the court to deal with just such a situation as the present by means of orders such as we ask this court to make.

As to the invalidity of Judge Fitzhenry's order, and similar orders made by this court, we submit that they are justified and within the terms of Rule 75c empowering the court generally to give directions "as to the general contents of the record to be prepared on the appeal", and that this useful and important power should not be abridged and narrowed as the opinions in this case would do.

6. AS THE TRANSCRIPT NOW STANDS THIS COURT HAS BEFORE IT IN A SEPARATE EXHIBIT BOOK THE DOCUMENTS UPON WHICH PLAINTIFF HAS RESTED ITS PROOF OF TITLE WHICH TITLE IS DENIED BY THE DEFENDANT. *There is no testimony* ON THIS ISSUE AND THEREFORE NOTHING TO SIMPLIFY OR CONDENSE AND THIS COURT SHOULD UNDER ITS PRESENT RULING HAVE PASSED UPON THIS QUESTION OF TITLE EVEN IF THE OTHER ISSUES ARE NOT NOW PROPERLY BEFORE THE COURT.

This court may have overlooked the fact that upon the issue of title there is no testimony in the record. Plaintiff offered its documentary showing of title. All of the documents thus offered are separately printed in Volume 3 of the record. Defendant objects that taken collectively they fail to show title. Condensation of these documents would hardly be possible. Appellee's counsel insists that taken together they create a title in the plaintiff. Whether this is true can only be determined by the court examining the papers and seeing if it can find in them any title vested in the plaintiff. As to this issue there has been no violation of any rule, and a decision upon it can as well be made now as under any possible different form of record. It is therefore requested that the court, at the least, decide this issue upon the merits instead of adhering to its order of complete dismissal.

Precisely this sort of thing was recently done by the Supreme Court in a much more extreme case. See *Patterson* v. *Mobile Gas Co.* 46 S. C. Reporter, p. 445.

However we make this suggestion without waiver of our request for a more equitable course, to wit the use of the process of this court to secure the preparation and certification of a suitable condensed record in order that full justice may be done in this case.

7. NOW THAT THE DESIRES AND POSITION OF THIS COURT HAVE BEEN MADE CLEAR BY THE OPINIONS OF THIS COURT FILED IN THIS AND OTHER CAUSES, COUNSEL IN THIS CASE AND DOUBTLESS IN ALL OTHERS, KNOW WHAT TO DO AND WILL EARNESTLY STRIVE TO COMPLY WITH THE RULE.

The condensation of the record in the present case is proceeding as rapidly as possible in the hope and expectation that this court will see that its course is in contravention of the considerations which usually govern the disposition of causes in equity. A course of procedure carried on with the knowledge and acquiescence of this court for many years is made, without notice from this court, a reason for penalizing a party in the sum of nearly a million dollars; the spirit of Section 269 of the Judicial Code has been violated, and we ask that appellant's motion be allowed, and this cause either decided upon the merits on the record now before the court, or an opportunity granted to the appellant, as prayed for in this motion, to condense the record and bring it before this court in the form in which the court desires it to be.

8. THE PARTICULAR RELIEF WHICH WE EARNESTLY PRAY THIS COURT TO GRANT IS THAT WHICH JUDGE ALSCHULER HAS POINTED OUT IN HIS RECENT DISSENTING OPINION IN CLARK V. TABLET & TICKET COMPANY.

He says that this court should not impose the capital penalty of affirmance without first affording reasonable opportunity for compliance, and that he believes this court has the power to make such an order, and that the District Court may thereupon certify a proper condensed statement of the record notwithstanding the term has passed. This is strictly in accordance with the deliverance of the Circuit Court of Appeals for the Sixth Circuit in 222 Fed. 884 and for the Ninth Circuit in 269 Fed. 227. These courts hold that the shaping of the statement of evidence is a ministerial proceeding, and so far pertains to the making of the return to the appeal that the perfecting of the appeal does not deprive the trial court of jurisdiction, and therefore does not deprive this court of the right to direct the trial court to now proceed with the shaping of a statement of evidence. (222 Fed. 886.) We believe it entirely within established precedents that an order should be made such as we have suggested, or in some similar form. When in pursuance of this order a simple and condensed record has been prepared under direction of the lower court this court may issue its certiorari (by analogy to certiorari upon suggestion of a diminution of the record) and order the simplified transcript sent up, and as soon as this has been done this court will have before it a record complying with the rules and can proceed to do justice.

In *Stenuick* v. *Jones*, 282 Fed. 161, 164 (C. C. A. 9), on appeal from an accounting in a patent case, the rec-

ord on the accounting had been certified without condensation by order of the District Court. In the Appellate Court the appellee objected to the record because not condensed under Rule 75.

The court said:

> "If, notwithstanding this order of Judge Gilbert, we were of the opinion that a restatement of the case under rule 75 was necessary for the purpose of this review, and that its absence would be prejudicial to the case of the appellees, we should so order; but we do not find it necessary, or that its absence will be prejudicial to the appellees upon any issue before the court."

9. LEST THE COURT BE INFLUENCED BY AN APPEARANCE OF DELAY IN THE EARLIER PROCEEDINGS ON THIS APPEAL, A FEW WORDS OF EXPLANATION ARE PROPER.

The master in this cause was an elderly gentleman over eighty years of age. He died before the appeal. He had left the papers filed by him with his report in great confusion. Many were unidentified. Many were duplicated. Many tables of figures submitted by the accountants had informal pencilings in the margin. To straighten this out and produce the accounting exhibit book (Vol IX of the record) involved several months of hard labor. The official printer of this court was in charge of printing this record, he made numerous trips to Springfield and Philadelphia in the effort to properly prepare this part of the record. There has been a great deal of condensation as a result of his labors and those of counsel.

The court refers to an apparent duplication of four printed patents in the record. The trouble is that these patents, although handed to the master as evidence, after witnesses had been examined concerning them, were not by him in any way marked. They were filed physically with his report. The printed feared to include them within his printed transcript (which was printed before it was certified) and merely annexed them at the end of Vol. IX, *after* the clerk's certificate. They therefore form no part of the record. When the transcript was returned they were properly certified by Judge Fitzhenry's express direction and therefore form part of Vol. X of the record being before the clerk's second certificate. But they only appear once in the actual record.

Much more might be said in explanation of the length

of time it took to print this record. There was in fact no lack of diligence, but a more full explanation would seem out of place here as no action of the court is based upon this ground.

Respectfully submitted,

CHARLES NEAVE,
SAMUEL E. HIBBEN,
HENRY N. PAUL,
Of Counsel for Appellant.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK. }

HENRY N. PAUL, having been duly sworn according to law, deposes and says that the facts as stated in this foregoing petition are true, except as stated on information, in which case he believes them to be true.

HENRY N. PAUL.

Sworn to and subscribed before me this 31 day of December, 1926.

ROBERT DOBERMAN,
Notary Public.

(NOTARIAL SEAL)

We hereby certify that the foregoing petition is in our opinion, well founded in law and should be granted and is not interposed for delay.

CHARLES NEAVE,
S. E. HIBBEN,
H. N. PAUL.

APPENDIX.

Cases decided on merits by Court of Appeals for Seventh Circuit on appeals from about June, 1921, to date, in which the evidence was not condensed but was in original question and answer form, or substantially so as noted:

PATENT CASES.

No. 3024 Neilsen v. Libby.
Full record approved by District Court (Judge Carpenter).

No. 3025 Rockford Co. v. Abramson.
Full record without stipulation or order but certified by District Court (Judge Landis).

No. 3029 Advance Corp. v. Reflex Co.
Full record approved by District Court (Judge Geiger).

No. 3030 Duplicator Co. v. Heyer.
Full record ordered by Judge Alschuler "certified to the Court of Appeals without condensation and reduction to narrative form."

No. 3031 Flexhume Co. v. Opalite Co.
Full record stipulated. No order by District Court.

No. 3032 Flexhume Co. v. Mid City Co.
Same procedure as in No. 3031.

No. 3049 Muehmore Bros. v. Thau.
Full record approved by District Court (Judge FitzHenry).

No. 3051 Safe Co. v. Globe Wernicke Co.
Full record approved by District Court (Judge Carpenter).

No. 3079 Stewart Warner Corp. v. Payton.
Full record stipulated. No order by District Court.

No. 3088 Lundie v. Sellers Co.
Full record approved by District Court (Judge Carpenter).

No. 3089 Mount Vernon Co. v. Pressed Steel Co.
Evidence partly in narrative form and partly in question and answer form. Approved by District Court (Judge English).

No. 3100 Universal Co. v. American Co.
Full record approved by District Court (Judge Carpenter).

No. 3101 Universal Co. v. American Co.
Same procedure as in No. 3100.

No. 3102 Nagle Works v. American Co.
Same procedure as in No. 3100.

No. 3110 Brokaw Co. v. Conlon Co.
Full record approved by District Court (Judge FitzHenry).

No. 3117 Bogda v. Automatic Co.
About 50% of evidence condensed, remainder in original question and answer form. Approved by District Court (Judge Geiger).

No. 3123 Wells v. American Bureau.
Full record approved by District Court (Judge Carpenter).

No. 3124 American Bureau v. Int. Inst.
Same procedure as in No. 3123.

No. 3132 U. S. Co. v. I. T. S. Co.
Full record approved by District Court (Judge Luce).

No. 3153 Nye Works v. Crown Co.
Full record approved by District Court (Judge Carpenter).

No. 3263 Guardian Co. v. Johnson Co.
Full record approved by District Court (Judge Carpenter).

No. 3165 Milwaukee Co. v. Stover.
Substantially full record (although called a "condensed statement"), approved by District Court (Judge Geiger).

No. 3180 Rodman Co. v. Schofield.
Full record by stipulation. No order by District Court.

No. 3214 Sheahon v. Meyer.
Full record approved by District Court (Judge Page).

No. 3244 Harris v. National Co.
Full record approved by District Court (Judge Carpenter).

No. 3294 Burry Co. v. Laughlin.
Full record approved by District Court (Judge Page). Specifically ordered to be "not in narrative form."

No. 3296 Barnet v. Anchor Co.
Full record approved by District Court (Judge Carpenter).

No. 3320 Hunt & Co. v. Elbert.
Full record approved by District Court (Judge Luce).

No. 3325 Dickenson v. Schie.
Full record approved by District Court (Judge Luce).

No. 3342 Dallas v. Faries Co.
Full record approved by District Court (Judge Wilkerson).

No. 3379 Pick Co. v. Imperial Corp.
Full record approved by District Court (Judge Wilkerson).

No. 3382 Moline Co. v. Wright.
Full record for condensed introductory part of testimony. No order of District Court.

No. 3384 Kalmon Co. v. Goldsmith Co.
Full record approved by District Court (Judge Wilkerson).

No. 3385 Wolf v. Patent Co.
Full record approved by District Court (Judge Wilkerson).

No. 3386 Cutler-Hammer Co.
Full record approved by District Court (Judge Geiger).

No. 3390 Creamery Corp. v. Miller Co.
Full record approved by District Court (Judge Page).

No. 3391 Creamery Corp. v. Miller Co.
Same procedure as in No. 3390.

No. 3395 Printing Co. v. International Co.
Full record approved by District Court (Judge Wilkerson).

No. 3401 Wood Corp. v. Gender.
All testimony in original question and answer form although designated "Condensed Statement." Approved by District Court (Judge Geiger).

No. 3404 Brush v. Lexington Co.
Full record approved by District Court (Judge Wilkerson).

No. 3438 U. S. Corp. v. West Co.
Full record approved by District Court (Judge Wilkerson).

No. 3457 Chicago Co. v. Rooch Co.
Testimony in question and answer form limited to certain pages of trial record. Approved by District Court (Judge Evans).

No. 3494 Madison Mogum v. Diamond Co.
Full record approved by District Court (Judge Evans).

No. 3499 Stromberg Co. v. Benecke Co.
Full record approved by District Court (Judge Wilkerson).

No. 3500 Stromberg Co. v. Benecke Co.
Same procedure as in No. 3499.

No. 3501 Stromberg Co. v. Benecke Co.
Same procedure as in No. 3499.

No. 3502 Stromberg Co. v. Benecke Co.
Same procedure as in No. 3499.

No. 3507 Schoenhofen Co. v. Alvey Co.
Full record approved by District Court (Judge).

No. 3508 Heyer Co. v. Ditto.
Full record approved by District Court (Judge Wilkerson).

No. 3549 Anchor Co. v. P. & M. Co.
Full record approved by District Court (Judge Wilkerson).

No. 3551 Brush v. Lexington Co.
Full record approved by District Court (Judge Wilkerson).

No. 3557 Economy Co. v. Chicago Co.
Full record approved by District Court (Judge Wilkerson).

No. 3559 American Co. v. Presto-Lite Co.
Full record approved by District Court (Judge Baltzell).

No. 3590 O'Cedar Corp. v. Grossman Corp.
Full record approved by District Court (Judge Wilkerson).

No. 3595 Starr Co. v. Auto. Co.
Full record approved by District Court (Judge Baltzell).

No. 3597 Starr Co. v. Auto Co.
Same procedure as in No. 3595.

No. 3604 Pressed Steel Co. v. Enterprise Co.
Full record approved by District Court (Judge Carpenter).

No. 3606 Scherzer v. City of Chicago.
Full record approved by District Court (Judge Lindley).

No. 3614 Barber Co. v. Standard Co.
Full record approved by District Court (Judge FitzHenry).

No. 3645 Imperial Co. v. Maxim Co.
Full record approved by District Court (Judge Alschuler).

No. 3646 Woods v. McCord & Co.
Full record approved by District Court (Judge Cliffe).

No. 3664 Milliken v. Aermotor Co.
Full record approved by District Court (Judge Wilkerson) and later additions to record approved by Court of Appeals.

No. 3691 Barker v. Atwell.
Full record approved by District Court (Judge Carpenter).

No. 3701 Heine Co. v. Rust Co.
Testimony partly abstracted, remainder in question and answer form. Approved by District Court (Judge Cliffe).

No. 3735 Merske v. Holeproof Co.
Full record approved by District Court (Judge Geiger). Argued and decided at October 1926 Term.

BANKRUPTCY CASES.

No. 3283 Hummel & Shelby.
Full record. No order by District Court.

No. 3292 Stearns Co. v. Lee.
Full record. No order by District Court.

No. 3352 Pruter v. Commonwealth Bank.
Full record. No order by District Court.

No. 3398 Farmers State Bank of Belmont, Wis. v. Prussing, trustee.
Full record. No order by District Court (Judge Luce).

No. 3471-3527 Burry et al. v. Hecht, Jr. et al.
Full record approved by District Court (Judge Wilkerson).

No. 3472-3526 Central Trust Co. I. Hecht, Jr. et al.
Same procedure as in No. 3471.

No. 3473-3525 Lachman v. Hecht, Jr. et al.
Same procedure as in No. 3471.

No. 3474-3524 Kennedy et al. v. Hecht, Jr. et al.
Same procedure as in No. 3471.

No. 3543 Rossi v. Arber.
Full record approved by District Court (Judge FitzHenry).

No. 3544 Rossi v. Arber.
Same procedure as in No. 3543.

No. 3565 Kaynee Co. v. Low.
Full record. No order by District Court.

No. 3610 Shire v. Hummel.
Full record approved by District Court (Judge Cliffe).

No. 3763 Wilson v. Wilson.
Full record approved by District Court (Judge FitzHenry).

Miscellaneous Cases.

No. 2986 Gibbons v. Quinn.
Full record. No order by District Court.

No. 2994 Gianovi v. U. S.
Full record approved by District Court (Judge Landis).

No. 3035 Cassin v. U. S.
Full record approved by District Court (Judge Carpenter).

No. 3044 Freiderich v. U. S.
Full record approved by District Court (Judge Landis).

No. 3053 Smetana v. U. S.
Full record approved by District Court (Judge Landis).

No. 3054 Suggs v. U. S.
Full record approved by District Court (Judge Landis).

No. 3064 O'Malley v. U. S.
Full record approved by Distdict Court (Judge Landis).

No. 3083 Triester v. U. S.
Full record approved by Distdict Court (Judge Landis).

No. 3116 Journal Co. v. Tribune Co.
Full record approved by District Court (Judge Carpenter).

No. 3119 First Calumet Bank v. Rogers.
Record partly abstracted, much in question and answer form. Approved by District Court (Judge Anderson).

No. 3155 Soper v. Industrial Corporation.
Full record approved by Distdict Court (Judge Page).

No. 3169 Fox v. U. S.
Full record approved by District Court (Judge Page).

No. 3239 Investment Co. v. Fitch Co.
Full record approved by District Court (Judge Page).

No. 3308 Mon Clair Co. v. Lee.
Full record approved by District Court (Judge English).

No. 3310 Sanders v. Southern Co.
Substantially full record. No order by District Court.

No. 3383 Morand Bros. v. Chippewa Corporation.
Full record approved by District Court (Judge Wilkerson).

No. 3483 International Brotherhood v. Western Co.
Substantially full record approved by District Court (Judge Wilkerson).

No. 3484 Millanckas v. U. S.
Full record approved by District Court (Judge

No. 3561 Henderson v. Henderson.
Full record approved by District Court (Judge Wilkerson).

No. 3613 U. S. Co. v. Boone Mills.
Full record approved by District Court (Judge Wilkerson).

No. 3637 Farina Line v. City of Hammond.
Full record approved by District Court (Judge Slick).

No. 3684 Woods v. Primm.
Full record approved by District Court (Judge FitzHenry).

No. 3685 Edwards Co. v. Boserman.
Substantially full record approved by District Court (Judge Wilkerson).

No. 3705 Thompson v. Woods.
Full record approved by District Court (Judge FitzHenry).

No. 3706 Strattan v. Illinois Assn.
Same procedure as in No. 3705.

Cases now on docket of Court of Appeals for the Seventh Circuit, awaiting argument, in appeals in which the evidence has not been condensed under Rule 75.

PATENT CASES.

No. 3650 Wirebounds Co. v. Gibbons.
Full record submitted to but not approved by District Court (Judge Anderson) but later approved by Judge Evans in Court of Appeals as a "Sufficient compliance with the Equity Rules."

No. 3666 Bassick Co. v. Auto Co.
Full record approved by District Court (Judge Slick).

No. 3710 Kercher I. Forsythe Bros.
Full record approved by District Court (Judge Wilkerson).

No. 3791 Eibel Co. v. Alexandria Co.
Full record approved by District Court (Judge Slick). Specially that it "need not be stated in narrative form."

No. 3801 Directoplate v. Bleistein.
Testimony partly abstracted, remainder in question and answer form. Approved by District Court (Judge Lindley).

No. 3807 Lakewood Co. v. French & Co.
Testimony partly abstracted, remainder in question and answer form. Approved by District Court (Judge Cliffe).

No. 3811 Wall Co. v. Gardner.
Full record approved by District Court (Judge FitzHenry).

No. 3812 Macomb Co. v. Mantle Co.
Full record approved by District Court (Judge FitzHenry).

No. 3815 Cutler Hammer Co. v. General Electric Co.
Full record approved by District Court (Judge Geiger).

No. 3816 Wall Co. v. Gardner.
Same procedure as in No. 3811

No. 3823 Larkin Co. v. Bassick Co.
Full record approved by District Court (Judge Lindley).

No. 3828 Westinghouse Co. v. Rock Island Co.
Full record approved by District Court (Judge FitzHenry).

No. 3845 Collegiate Co. v. DuPont Co.
Full record approved by District Court (Judge Wilkerson).

No. 3849 Wessels v. Chicago Co.
Full record approved by District Court (Judge Cliffe).

No. 3837 Star Can Opener Co. v. Ace Mfg. Co. et al.
Full record approved by District Court (Judge Wilkerson).

Cases affirmed by Court of Appeals of the Seventh Circuit for noncompliance with Rule 75 as to condensation of record:

No. 3614 Standard Co. v. Barber Co.

No. 3766 Hug Co. v. Hug.

No. 3740 Clark Co. v. Tablet Co.

No. 3743 Cramer v. Motor Player Corp.

No. 3755 Deer Co. v. U. S. Co.

No. 3756 Deer Co. v. U. S. Co.

No. 3776 Fairbanks Co. v. American Co.

No. 3782 Fairbanks Co. v. American Co.

No. 3794 Semaphoric Co. v. Boyce.

SUMMARY.

Number of Equity Cases decided during last five years in which record is uncondensed or substantially so, including patent, bankruptcy and miscellaneous cases and not including cases partially condensed— 119

Number of cases now on docket, awaiting argument, in which record is uncondensed— 15

Number of cases already decided on ground of uncondensed record— 10

IN THE

United States Circuit Court of Appeals

FOR THE SEVENTH CIRCUIT.

THE BARBER ASPHALT COMPANY, *Appellant*, vs. STANDARD ASPHALT AND RUBBER COMPANY, *Appellee*	No. 3614.

AFFIDAVIT OF HENRY N. PAUL.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK, }

HENRY N. PAUL, having been duly sworn according to law, deposes and says:

I have been counsel for the plaintiff in the above case since the suit was instituted and entrusted by my client with full control of the suit. At an early stage of the litigation, upon my advice, plaintiff also retained the firm of Rector, Hibben, Davis & Macauley of Chicago, as additional counsel; and the late Mr. Edward Rector of that firm tried the case with me in the District Court.

After the appeal was taken, Mr. Rector advised me that in a case of this character in the Seventh Circuit it was preferable and usual to have the entire testimony certified, in question and answer form, and upon the strength of his advice as to the prevailing usage and practice in the Seventh Circuit this course was followed.

In taking this course I relied chiefly upon Mr. Rec-

tor's advice as that of a lawyer who had practiced all his life largely in equity, in the Seventh Circuit, but his judgment was confirmed by my own experience, chiefly in the Third Circuit, where our Court of Appeals puts a liberal construction upon the provision of the Supreme Court Equity Rules relating to condensed records, and has expressed its preference for records containing all of the testimony in the form of question and answer.

I am also informed by those qualified to know that the same practice prevails in the First, Second, Fourth and other circuits.

I had never been informed of, nor had I ever seen any decision of or intimation from this court covering this point, and I therefore followed the advice of counsel, as distinguished from being guided by anything the court had said.

After the record had been printed and filed a motion was made by appellee's counsel on November 7, 1925, and heard on November 9, 1925, to strike from the transcript of record certain parts of the transcript; namely, pages 18 to 1577, being the proceedings at the trial (as distinguished from the proceedings before the master, his report and the final decree entered thereupon). Three grounds were asserted for this, one of which was that the evidence taken at the trial was not approved by the court or judge "and was not signed, certified to, or authenticated by the Court or Judge, and was never filed with such approval, certification, or authentication in the office of the Clerk of said District Court, and never became a part of the record in said cause for the purpose of the appeal herein, all as required by Rule 75 of the Rules of the Court of Equity of the United States." Appellee's counsel did not ask this court to dismiss this appeal because the testimony was not condensed or put into narrative form. At the argument of the cause upon the

merits on October 6, 1926, appellees's counsel presented additional reason at great length for dismissing the appeal but they were based upon the allegation that appellant had not caused enough of the record to be certified.

Had this question been pressed either by counsel or the court at the time when appellant moved and obtained from this court an order permitting the return of the record to the District Court for further certification, appellant's counsel might at the same time have asked leave to have the record reduced to narrative and condensed form, and this could have been done without delay and the case argued when it was argued, upon such condensed or abbreviated record.

But under the above circumstances I permitted the record to come before the court at the argument in the form in which it now stands in accordance with the original decision which Mr. Rector and myself had reached at the time of the taking of the appeal. In doing this, I was but following the best advice I could get. I feel that my client should not suffer a penalty on this account and that the court should now allow prompt and proper correction of the record in accordance with their views now clearly expressed.

Should this court grant the motion to remand which is now made the record will be condensed and reduced to narrative form without any delay chargeable to the appellant, the work of doing this being already well under way, and returned to this court in order that the cause may then be decided upon its merits.

The decision of the Court of Appeals in this case would leave the impression that after the perfecting of this appeal on July 5, 1924, nothing was done until April 24, 1925, when for the first time a praecipe was served upon plaintiff. As a matter of fact, it was during this interval that the record was made up and printed.

After this it remained for the clerk to verify this entire printed transcript from the original on file and certify it. In making up the printed record a great deal of the accounting record on file was carefully eliminated, thereby reducing the record, and when this had been done the praecipe, which had been deferred for this purpose, was prepared and served.

The accounting papers which had been filed by the Master with his report were very voluminous and left by him in great confusion. He had died and the official printer of this court to whom had been entrusted the preparation and printing of this record, in consultation with appellant's local counsel in Springfield, spent many months' difficult labor in straightening out these accounting exhibits. A great mass of confused schedules, lists, calculations and accounts were found among the papers filed by the Master with his report, some identified and others not so marked. Many were duplicates. Others were duplicates except for additions or marginal pencilings. An immense amount of elimination and condensation was therefore performed. This involved voluminous correspondence between Springfield and Philadelphia, and a great many trips of counsel or the printer. After many months hard labor there was produced the present condensed accounting Exhibit Book (Vol. IX), which in any future condensation of the record, will not need or admit of much further condensation. Then a praecipe was prepared and served limited to this selected record and the appellee has filed no counter praecipe. So that this labor and time has not been wasted.

Also, before the Master, there had been produced a large scrap book containing specimens of defendant's advertising matter in over a hundred pages, which was used to justify an item of $400,000 for the cost of this advertising. During the accounting and for the benefit

of the lower court, this entire exhibit had been photo-lithographed but when the printing of the record was well advanced and the printer was ready for such copies, it was found that the same had been inadvertently destroyed, whereupon it became necessary to again reproduce such matter.

These instances are only given as some of many circumstances which if fully understood by the court would adequately explain what was going on during the nine months which elapsed between the completion of the appeal and the service of the praecipe.

HENRY N. PAUL.

Sworn to and subscribed before me this 31 day of December, 1926.

ROBERT DOBERMAN,
Notary Public.

(NOTARIAL SEAL.)

IN THE

United States Circuit Court of Appeals

FOR THE SEVENTH CIRCUIT.

THE BARBER ASPHALT COMPANY, *Appellant.* *vs.* STANDARD ASPHALT AND RUBBER COMPANY, *Appellee.*	No. 3614.

AFFIDAVIT.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK. }

SAMUEL E. HIBBEN, being duly sworn upon oath, deposes and says as follows:

I am and have been a member of the Federal Bar of this Circuit for nearly thirty-five years during which time I have specialized more particularly in the practice of patent law. I am a member of the firm of Rector, Hibben, Davis & Macauley, of Chicago.

To my knowledge, the perfecting of the appeal in this case and the preparation of the transcript on appeal were carried out under the advice of my late partner, Mr. Edward Rector. At that time, it was and had been the practice of this court to receive and consider a full or uncondensed transcript of record particularly in cases, such as the present one, in which counsel felt that the whole record would be helpful to the court and I

can, therefore, quite understand why Mr. Rector in the present case advised such course, which was my own practice at the time and that of the other members of this firm and of the Patent Bar generally of the Seventh Circuit.

SAMUEL E. HIBBEN.

Subscribed and sworn to before me this 31st day of December, 1926.

ROBERT DOBBERMAN,
Notary Public.

IN THE

United States Circuit Court of Appeals

FOR THE SEVENTH CIRCUIT.

THE BARBER ASPHALT COMPANY, *Appellant*, vs. STANDARD ASPHALT AND RUBBER COMPANY, *Appellee*.	No. 3614.

MOTION TO VACATE ORDER AND DIRECT CONDENSATION OF THE RECORD.

And now this 31st day of December, 1926, comes the appellant, the Barber Asphalt Paving Company, and moves this court that the mandate in this cause be stayed, and the order of affirmance vacated, and an order made permitting the District Court for the Southern District of Illinois to now entertain procedure in accordance with Equity Rule 75b to bring about a statement of the evidence in this cause in simple and narrative form; and that upon this court being advised that this has been done a writ of certiorari do issue to cause such simple and condensed statement to be certified to this court as a part of the record on appeal to the end that the appeal may then be determined in accordance with the merits of the controversy.

The grounds upon which this motion is based are fully set forth in the Petition for a Rehearing of the Cause which has this day been filed and to which reference is here made.

[fol. 5046] blank. [fol. 5047] omitted.

[fols. 5048 & 5049] IN UNITED STATES CIRCUIT COURT OF APPEALS

[Title omitted]

MINUTE ENTRY OF MOTION TO STAY MANDATE AND VACATE AFFIRMANCE—January 4, 1927

Now this day come the parties by their counsel, and counsel for appellant presents a motion that the mandate in this cause be stayed, and the order of affirmance vacated, and an order made permitting the District Court for the Southern District of Illinois to now entertain procedure in accordance with Equity Rule 75b to bring about a statement of evidence in this cause in simple and narrative form; and that upon this court being advised that this has been done a writ of certiorari do issue to cause such simple and condensed statement to be certified to this court as a part of the record on appeal to the end that the appeal may then be determined in accordance with the merits of the controversy.

And the court having heard the same takes this matter under advisement.

[fols. 5050 & 5051] UNITED STATES CIRCUIT COURT OF APPEALS

[Title omitted]

ORDER EXTENDING TIME—January 12, 1927

On motion of counsel for appellee, it is ordered by the court that the time for filing answer to petition for rehearing and motion to vacate order and direct condensation of record in this cause be, and the same is hereby extended to and including January 18, 1927.

[fol. 5052] In United States Circuit Court of Appeals

[Title omitted]

Answer to Petition for Rehearing and Suggestions in Opposition to Motion to Vacate Order of Affirmance and Direct Condensation of the Record—Filed January 18, 1927

To the Honorable the Judges of the United States Circuit Court of Appeals for the Seventh Circuit:

The Appellee, Standard Asphalt and Rubber Company, for answer to the petition for rehearing and by way of suggestion in opposition to the motion to vacate the order affirming the decree of the District Court and to direct condensation of the record, respectfully presents to the court the following:

General Statement of Appellee's Position

This case differs in many essential and determining features from the other cases in which the Court affirmed the judgments and in which motions to put the evidence in narrative form were allowed.

[fol. 5053] In the other cases the opinions seem to show that the uncondensed testimony in the form of questions and answers and without being put in narrative form was incorporated in the transcript of the record filed in the Court of Appeals by stipulation of parties and in certain instances with the affirmative approval of the Trial Court. It is thus manifest that both parties participated in the violation of the rules of Court and particularly Equity Rule 75, and that therefore, the appellees in those cases were in no position to ask for the enforcement of the rule, and did not do so.

Under these circumstances, therefore, none of the appellees was in a position to complain or to oppose the action of the Court in permitting the testimony to be put in narrative form because of the delay that might be involved, or the expense incurred, or for any other reason. Notwithstanding the fact that as this Court pointed out in its opinions in certain of the other cases and particularly in the

case of R. W. Clark Mfg. Co. v. Tablet & Ticket Co., No. 3740, in which the Court said, that the abuse of Equity Rule 75 in this respect results in great delay and needless expense to the litigants from which litigants have a right to expect the Courts to relieve them, and notwithstanding the fact also that the Supreme Court of the United States in Newton v. Consolidated Gas Co., 258 U. S. 165, 173, said that Equity Rule 75 was intended to protect litigants from unnecessary costs and delay, yet the appellees in these other cases were in no position to invoke the enforcement of this rule or to claim the protection that its observance contemplated.

This, however, is not in the situation in the case at bar. Appellee in this case is in a position to rightfully and equitably ask the protection of this Court against the unnecessary cost and delay, not only involved in the violation of the Rule in the first instance, but particularly against the delay and expense involved at this late day in granting the motion of appellant to now permit it to put the evidence in "simple and condensed" and in "narrative form."

Appellee in the case at Bar not only did not stipulate and thereby preclude itself, as did the appellees in the other cases, but on the contrary was from the beginning earnest and vigilant in claiming the protection of the Court under Equity Rule 75, and in insisting upon the performance by Appellant of its "plain duty", to use the words of the Supreme Court in the Newton case, and thereby relieving Appellee, to use the language of this Court, in the R. W. Clark Mfg. Co. case, of the "unnecessary expense and the unneces- [fol. 5654] sary delay, which unavoidably follows an attempt to dispose of litigation in such an awkward and cumbersome manner." Having invoked the protection of this Court under Equity Rule 75 and protested against its violation from the beginning, we submit that Appellee had the right and particularly now, after the submission to and determination by this Court of this whole question, with the additional delay involved, to expect this Court, as it said in the R. W. Clark Mfg. Co. case to relieve it of the "unnecessary expense and the unnecessary delay" to which it has already been subjected and would especially be subjected if in the circumstances we have pointed out, Appellant were now to be permitted to start all over again and

to attempt to rectify its violation of its "plain duty", which it should have discharged in the first instance.

If, as the Supreme Court said in the Newton case, counsel ought from the very beginning and in every instance to comply with the direct and imperative requirements of Equity Rule 75, and if from the beginning "courts should enforce performance of this plain duty," as was said in the Newton case, and if from the beginning, litigants have a right to expect the courts to relieve them from and protect them against the violation of this Rule, as this Court has said, then certainly under the circumstances of this case all these things are conclusively true as to Appellee in the case at bar.

For the purpose of enabling the Court to get the true facts of the case at bar with the least labor we trust we may be permitted to set them forth in some detail.

The chronology of events succinctly stated is as follows:

Decree of infringement entered February 20, 1917.

Accounting decree entered April 30, 1924.

Appeal prayed and allowed, assignment of errors filed and citation issued July 1, 1924.

Supersedeas bond filed July 5, 1924.

Twelve 30 day extensions of time for filing record in Court of Appeals, the last extension expiring July 26, 1925.

Praecipe served April 24, 1925, nearly 300 days after citation.

Clerk's certificate to record June 24, 1925.

Copy of printed record with Clerk's certificate filed July 3, 1925.

Twenty-five copies of record not filed till November 2, 1925, four months after July 3, 1925.

Appellee's motion to dismiss appeal, etc., filed November 9, 1925.

[fol. 5055] Appellant's motion to remit record to District Court for certificate, etc., allowed January 29, 1926.

No motion made before Judge FitzHenry till March 30, 1926. Two months after.

Additional record with Judge FitzHenry's order filed April 13, 1926.

Cause set for hearing in Court of Appeals, April 29, 1926.

Order entered April 23, 1926, continuing cause on motion appellant to October 6, 1926.

Cause argued orally and motion of appellee to dismiss Appeal, etc., submitted October 6, 1926.

Order affirming decree December 13, 1926.

We charge that this chronology shows deliberate and intentional delay. Though the printed transcript of record was filed July 3, 1925, appellant withheld filing in the Clerk's office, as it was its duty to do, under the rules of this Court, twenty-five copies of this same printed record (which of necessity it had in its possession during this time), until November 2, or four months later. Immediately upon being served by the Clerk with a copy of this printed record appellee proceeded to prepare its motion to dismiss the Appeal etc. and filed the same on November 9, or seven days after being served. The motion came before this Court on November 9th, and was taken and reserved to the final determination of the cause.

We deny the statement (Petition for Rehearing, 23) and the affidavit of counsel p. 38, that the circumstances required or justified taking from April 30, 1924, the date of the entry of the decree, or from July 1, 1924, the date of the prayer and allowance of Appeal, to July 3, 1925, or over a year to prepare a transcript of the record in this cause.

The statement of counsel (p. 23) that the Master was an elderly gentleman over eighty years of age and died before the appeal is, we submit, gratuitous, and seems to have for its purpose some insinuation against him and his report. Whether the accounting papers filed by the Master were left in confusion or not, as to which we have merely the statement of counsel (and which we deny, and which there is nothing of record to show), it did not require a year or more to get them together with the evidence taken by him and to put the same in the form of a Certificate of Evidence in compliance with Equity Rule 75.

On November 9, 1925, one week after appellee was served by the Clerk with a copy of the printed purported transcript [fol. 5056] of the record, it filed and presented to the Court the following:

Its motion "to strike from the purported transcript of the record filed herein all purported proceedings and the purported evidence and testimony purported to have been had and taken on the trial of said cause before said Dis-

trict Court, on the issues of Plaintiff's title to the patents therein sued upon, and on the validity of the said patents, and of the infringement thereof by Defendant" for the following among other reasons.

"3. The purported transcript of the record filed in said cause that the purported evidence and testimony purporting to have been taken upon the trial of said cause before the District Court was not approved by the Court or Judge before whom said cause was tried and was not signed, certified to or authenticated by said Court or Judge, and was never filed with such approval, certification or authentication in the Office of the Clerk of said District Court and never became a part of the record in said cause for the purposes of the appeal herein; all as required by Rule 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof, said purported proceedings, evidence and testimony should be stricken from the said purported transcript of record and disregarded and not considered by this Court, and because and in consequence thereof also the decree of said District Court entered on February 20, 1917, appearing on page 1217 of said purported transcript of record, and said purported proceedings, evidence and testimony, is not subject to review by this Court.

Wherefore, appellee prays that said purported proceedings, evidence and testimony be stricken from the purported transcript of the record filed herein, and that the Court do not consider or review the same, or said decree of said District Court of February 20, 1917."

At the same time on November 9, 1925, there was filed and presented to this Court certain objections of appellee to the motion of appellant to separate and divide the argument in the cause.

Among the grounds urged in support of the objections was the following:

"4. The purported evidence appearing in the purported transcript of the record filed herein is not stated in simple [fol. 5057] and condensed form, and the purported testimony of witnesses is not stated in narrative form, but on the contrary thereof, said purported evidence and testimony

is set forth in full, all contrary to Rule 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof all of said evidence and testimony should be stricken from the purported transcript of the record in this cause and disregarded by this Court."

The second ground urged by appellee in support of its petition for rehearing is as follows, p. 1:

"(b) To grant a rehearing upon the reasons and grounds which have led this Court to declare in its opinion filed December 13, 1926, that the evidence in this cause is not properly before the Court, there being before this Court on motion raising this question, and no hearing having yet been had upon it."

We respectfully submit that counsel's suggestion is without force and cannot affect the situation in the case at bar.

The third ground in support of appellee's motion directly charged that the evidence taken before the District Court had never been "approved" by the Court or Judge, as required by Equity Rule 75. The approval by the Court under Equity Rule 75 necessarily involved compliance with the antecedent requirements of the rule as conditions precedent to such approval as follows:

First, stating the evidence to be included in the record "in simple and condensed" and "in narrative form," which duty rested primarily upon appellant; second, lodging "the same in the Clerk's Office for the examination of the other parties at or before the time of filing his praecipe under paragraph (a)" of the rule; third, notifying the other party or their solicitors of such lodgment; fourth, naming the time and place where appellant would ask the Court or Judge to approve the statement; fifth, a hearing thereon before the Court or Judge.

Therefore we submit that the statement above referred to that the evidence had not been approved as required by Equity Rule 75 of necessity and unmistakably charged that none of the conditions precedent to such approval had been complied with. It is, we contend, sticking in the bark, to say that appellee should have set forth each and all of these conditions precedent.

And continuing appellee said in this ground for its motion not only that the evidence had not been approved, as required by Equity Rule 75, but also, "was never filed with such approval" in the Clerk's Office, "and never became a [fol. 5058] part of the record in said cause for the purposes of the Appeal herein; all as required by Equity Rule 75," etc., providing specifically, "when approved, it shall be filed in the Clerk's Office and become a part of the record for the purposes of the Appeal."

It could only be filed and become a part of the record, as the rule provides, after it had been approved, and it could not be approved until the antecedent requirements had been complied with, as was specifically held by this court in Fairbanks Morse & Co. v. American Valve etc. Co. number 3776 decided on December 22, 1926.

In this connection, let it be noted that Equity Rule 75 is not merely affirmative and directive in form, but is negative and imperative in form, the language being, "the evidence to be included in the record shall not be set forth in full, but shall be stated in simple and condensed form * * * and the testimony of witnesses being stated only in narrative form."

That counsel for appellant understood that the failure to condense and put in narrative form was involved and included in this ground is shown by their printed brief filed January 18, 1926, to which we will later call the Court's attention, and from which we will later quote.

Ground (4), supra, of objection to appellant's motion to divide the argument, above set forth in full, does specifically charge that none of the evidence in the purported transcript of the record is condensed and put in narrative form, but is set forth in full, "all contrary to Equity Rule 75." and concludes by urging that all of the evidence "should be stricken from the purported transcript of the record in said cause and disregarded by this Court." Here, certainly, is a direct and specific statement of non-compliance with Equity Rule 75, and the insistence that the evidence should be stricken and disregarded. Certainly, here the protection of the Rule is invoked. Will it be said that because forsooth the words "and it is so moved" or similar words were not added, appellee lost the protection of this Rule, and this in the face of what the Supreme Court of

the United States said in the Newton Case as to the duty of the Courts to enforce performance of the Rule, or what this Court said in the R. W. Clark Mfg. Co. case as to the duty of the Court to relieve litigants of the consequences unavoidably following a violation of the rule?

We cannot believe that any such technical objection will prevail against a party protesting in apt time and invoking [fol. 5059] the duty of the Court to protect it against the violation of the Rule, and to do what the Supreme Court of the United States pointed out should follow the violation of the rule, to decline to consider the evidence, or to dismiss the Appeal, or to affirm the judgment.

And let it be remembered that appellee's insistence was not merely technical or merely that the evidence had not been put in narrative form. Its objections were substantial and that it had been deprived of a real, valuable and undeniable right, namely the right, under the rule, to have the court below pass upon the evidence to be used on appeal, to the end that, as the rule expressly says, the certificate of evidence be "true, correct and properly prepared," as a condition precedent to its being approved by him and thereupon filed and made a part of the record, and the right also to participate and be heard by the court to the same end, of all of which appellee explained that it had been deprived by the improper and ex parte actions of appellant, and in consequence of which, we shall show, the purported transcript of the testimony now before this court is not true or complete, but as it itself shows on its face, and as the Petition for Rehearing and Mr. Paul's affidavit admit, is incomplete, deleted and emasculated and contains matter never put in evidence at all.

After appellant was thus admonished on November 9, 1925, it waited two months before it again proceeded, and on January 8, 1926, made its motion to remit the transcript of the record to the District Court for the purpose of obtaining from it a certification of the testimony and evidence. Counsel were permitted to file briefs and the argument of the motion set January 29, 1926.

Counsel say in their petition for rehearing (p. 5) that appellee in its brief on this motion only briefly referred to the non-condensation of the record at the bottom of page 34 of appellee's brief.

This is not true. We quote the following passages from our brief.

Page 17 we said,

"Under Equity Rule 75 appellee's counsel have a right to be heard on the settling of the Certificate of Evidence. Manifestly, the Rule does not contemplate an arbitrary power in the District Court, or in the Court of Appeals to direct the District Court to settle the Certificate of Evidence, and thereupon approve and sign the same, without giving counsel for appellee an opportunity to make the showing provided for in the Rule itself."

[fol. 5060] Again on page 23 we said,

"This language is peculiarly applicable to the provisions of Equity Rule 75, providing the manner in which the evidence taken in equity causes shall be settled and approved, involving a judicial hearing, participated in by both parties, and consideration and action by the Court.

"The order requested by appellant cannot properly be entered, because in any event the evidence under Equity Rule 75 must be settled, approved, certified and filed in the manner provided by this Rule, which involves giving appellee an opportunity to be heard, and judicial consideration and determination by the District Court."

And still again on page 31 we said,

"Counsel refer to this complete omission to comply with Equity Rule 75, or to obtain the certification of the trial Judge to the purported evidence in the transcript of the record so as to make the same a part of the record in the cause as 'a purely technical omission. The Supreme Court of the United States and other Federal Courts to which we have called attention do not so regard this omission, but on the contrary characterize it as a grave matter."

And on page 34, and 35, we said,

"Equity Rule 75 was violated in letter and in spirit in that the testimony was not reduced to narrative form, and presented to counsel for appellee so that the same might be settled and approved by the Court in the manner contemplated by the Rule and thereby be made a part of the record.

"Not only this, but appellee's counsel were never tendered a Certificate of Evidence, or given an opportunity to examine or to be heard concerning the purported evidence and numerous exhibits incorporated in the transcript of the record on file. Counsel for appellee were totally ignored, and the first opportunity they had to know of the action of counsel for appellant was when the printed record was served upon them, and this was after the purported transcript of the record had been filed, and the whole situation closed so far as counsel for appellee were concerned."

On page 40 we said,

"Counsel say again that it was some time after the adoption of Equity Rule 75 before the Bar understood that the Court's certification of a condensed statement of evidence also applied to those cases where, either by agreement of counsel, or order of court, the entire record was sent up on [fol. 5061] appeal."

And on page 41, we said,

"Under Equity Rule 75, however, certain specific things were required of counsel for appellant before counsel for appellee could be required to move or to do anything. None of these things were done, and no attempt at compliance with the Rule was made by counsel for appellant. Counsel for appellee were not asked to, or given any opportunity to participate."

Here, then, whatever counsel for appellant may say concerning appellee's motion to strike of November 9, 1925, above referred to and quoted from, it is clear beyond peradventure of doubt that in its brief filed on January 26, 1926, above quoted from, appellee did insist repeatedly that appellant's violation of Equity Rule 75 consisted, among other things, in failing to condense and put the evidence taken in the District Court in narrative form.

This is conclusively shown by appellant's brief in support of the motion to remit the record for certification filed January 18, 1926, from which we quote the following; for the Court's ready reference.

On page 3, appellant said,

"3. Until July 1, 1924, there was no appellant, and accordingly, no one upon whom Rule 75 of the Supreme

Court, Equity Rules cast the duty of condensing the evidence as taken at the trial. In the meantime, on June 14, 1918, Judge Humphrey died, and in view of the nature of the controversies at the trial, and the conflicting views of the parties upon many points, it was not feasible to attempt to settle a condensed statement of the evidence before a Judge not thoroughly familiar with the trial of the cause, and accordingly, it was deemed best to ask the Clerk of the Court to certify the stenographer's notes of the testimony and proceedings at the trial, as already filed of record in the cause."

On page 11, appellant said,

"No such a thing as a Certificate of Evidence was known in Federal Equity practice until after the promulgation, November 4, 1912, of the Supreme Court Equity Rules, and particularly Rule 75 B thereof. All that was required was that the testimony be taken down and preserved in the record. Blease v. Garlington, 92 U. S. 1.

"But even after the adoption of Rule 75 B the Bar [fol. 5062] did not at once understand, and it was sometime before the Courts ruled, that the requirement for the Court's certification of a condensed statement of evidence also applied to those cases where, either by agreement of counsel or order of Court, the entire record was sent up to the Court of Appeals."

Here is a direct recognition by counsel of the fact that Courts had ruled that a condensed statement of evidence was required notwithstanding stipulation of counsel, or in other words, that stipulation of counsel would not avoid the Rule.

And continuing counsel said (page 11):

"Uncertainty still exists upon this subject, for there is a diversity of ruling in different circuits."

On page 16, counsel say:

"There has been no negligence on the part of appellant's counsel in this case. At most there has been a pardonable oversight. All of the cases which have been cited make it clear that the duty to procure the trial Judge's certification of the evidence is founded upon Equity Rule 75. (See Judge Baker's opinion in this circuit In re

Jewell Electrical Instrument Co.). Judge Baker's language is very precise in speaking of this, 283 Fed. 978, 980) as 'Appellant's duty'; for by the express terms of the Equity Rule no duty rests upon anyone until there is an 'Appellant.' If the testimony is to be condensed 'the Appellant' must first attempt that duty and then 'the Appellee' if dissatisfied. Therefore, no duty in this respect rested upon anybody until there was an appellant; that is, until July 1, 1924, or six years after Judge Humphrey died."

Here then it appears that throughout their brief counsel for appellant were discussing the matter of condensing the evidence as required by Equity Rule 75, and we have an express acknowledgment on the part of counsel for appellant that the duty did devolve upon appellant to condense the testimony at least on July 1, 1924. Yet counsel for appellant in the face of this recognition of duty went ahead and on July 3, 1925, one year later, filed the wholly uncondensed purported transcript of the evidence taken both before Judge Humphrey and the Master, and in the face of the motion of appellee filed November 9, 1925, and its supporting brief, filed on January 26, 1926, above referred to, calling attention specifically among other things to appellant's violation of Equity Rule 75, by failing to give appellee an opportunity to be heard and to obtain the lower court's ap[fol. 5963] proval and to condense the testimony, persisted in their violation, argued against it and did nothing to comply with the Rule in this respect.

In passing we feel impelled to take issue with appellant's counsel upon the correctness of the statement that

"No such thing as a certificate of evidence was known in Federal Equity practice until after the promulgation, November 4, 1912, of the Supreme Court Equity Rules, and particularly Rule 75B thereof. All that was required was that the testimony be taken down and preserved in the record. Blease v. Garlington, 92 U. S. 1."

A reference to the opinion by Mr. Chief Justice Waite in Blease v. Garlington shows that in referring to testimony taken in open court and not before an examiner, he said,

"The testimony presented in that form must be taken down or its substance stated in writing and made a part

of the record or it will be entirely disregarded here on appeal."

It will be noted that while counsel for the appellant purport to state on the authority of the Supreme Court that it "must be taken down—and preserved in the record," the Supreme Court says it "must be taken down—and made a part of the record, or it will be entirely disregarded here on appeal."

How, may we ask, could testimony taken in open court be made a part of the record without certification by the presiding judge?

While Mr. Chief Justice Waite does not state how such evidence shall be made a part of the record the statement that it must be made a part of the record assumes, we think, that it could only be done by proper certification, and that certification could only be by the presiding judge, as it is not the function of the clerk to certify evidence heard in open court. Mr. Chief Justice Waite's statement that the evidence must be made a part of the record must be assumed to have been made in the light of the law as settled and generally known and understood by lawyers at that time.

Nothing that Mr. Chief Justice Waite says in Blease v. Garlington justifies the statement that no certificate of evidence heard in open court was necessary, but rather, we think, the contrary is implied by the language of that learned jurist.

On January 29, 1926, this Court entered an order on appellant's motion for leave to transmit the printed purported transcript of record to the District Court for the purpose [fol. 5964] of applying to the District Court for further certification of the record, but expressly provided in the order at the end that "it is further ordered that the effect and validity of such certificate if obtained, shall be reserved for final determination of this cause."

Appellee's protest against the violation of Equity Rule 75, and its motion to strike were also reserved until final hearing.

On October 6, 1926, when the cause came on for oral argument counsel for appellee called attention to its pending motion and objections and filed additional reasons for the dismissal of the appeal, among which were that the order

of Judge Fitz Henry entered on March 30, 1926, as set forth in the supplemental transcript of record, filed April 13, 1926, page 4913, was entered without jurisdiction and is void, and does not amount to, or constitute a certification of the alleged evidence, and that said alleged evidence has never been certified to by the District Court, and has never been or become a part of the record in the cause, and also that it appears from the purported transcript of the record that neither the purported testimony taken on the infringement issue, or on the accounting, is complete in that it appears that out of a total of 196 exhibits received in evidence on the trial of the above issues, 114 thereof are wholly absent from the purported transcript of the record and have never been certified to by the District Judge, nor made a part of the transcript of the record filed in this Court nor have ever been filed in this Court.

The whole matter of appellant's violations of Equity Rule 75 were thus submitted to the Court by appellant with full knowledge on the part of appellant of such violation, and without any attempt having been made to rectify them.

We submit it is now too late for appellant, after it has submitted these matters to the determination of the Court, and after they have been decided adversely to appellant to now come in and ask the court to set aside its action and to permit appellant to start all over again. To allow this would be to run counter to the whole policy of the law and the Courts. In support of this we call the Court's attention to the case of United States v. Adams, 9 Wall. 554, et seq. infra, in which upon the affirmance of a judgment, appellant came in on motion to correct the record, claiming that the record from the Court of Claims was erroneous in material facts stated in it. It appeared from the affidavit of appellant in support of the motion that this error in the record was observed by him and known to his coun-[fol. 5065] sel, at the argument on the appeal, but that no steps were taken to have it corrected, their belief having been that the action of the Board of Commissioners could have no binding effect upon the rights of the claimant.

So in the case at Bar, counsel knew of the violations of Equity Rule 75 urged by appellee, among others being the failure to put the evidence in condensed and narrative form, and now say they relied on the views of Mr. Rector,

despite the imperative language of the Rule itself, and despite the fact that they knew that certain Courts had insisted that the evidence must be put in the form required by the Rule in order to be taken and considered by them, and must be held to have known that the Supreme Court of the United States in the Newton case said that the violation of this Rule in this respect might be visited by the dismissal of the Appeal, and in the Houston case had refused to consider the evidence, or an assignment of error based thereon, and yet in the face of all this they submitted this entire matter to this Court.

The Supreme Court overruled the motion in the above case on the specific ground that a party will not be allowed to lie by, with knowledge, until the matter was decided and the opinion delivered and then to apply for correction, which might have been made earlier if applied for prior to the hearing, saying:

"The courts are not willing to go further, and permit the remedy to be applied after the case is heard and decided, as we fear that such a precedent would work greater injustice and hardship in its general use and application than that which may exist in any particular case."

See to the same effect many cases cited and quoted from herein, page 30, et seq. infra.

The case at bar also differs from the other cases in a most vital and determinative respect, namely, in the other cases the whole evidence material to the appeal, though uncondensed and not in narrative form, is in the transcript of record on file in this court by stipulation and agreement of counsel on both sides, while in the case at bar, the whole evidence is not and does not purport to be in the transcript of the record on file, but on the contrary it affirmatively appears from the transcript of the record on file and by the admission of counsel in the petition for rehearing, as we shall point out that the whole evidence is not in the transcript, but is admittedly there only in incomplete, garbled and emasculated form and therefore it follows that the court should not consider the evidence in the uncondensed form in which it now appears, as counsel for appellant move, or permit it to be put in condensed and narrative

[fol. 5066] form, as counsel for appellant move in the alternative.

From the foregoing it is manifest that in the case at bar we have not a mere formal matter of putting admittedly complete and stipulated evidence in narrative form, as is the stipulation in the other cases, but a matter of starting all over again and from the beginning, in an attempted compliance with equity Rule 75.

In the other cases, as we have pointed out, the correctness and completeness of the transcript of the testimony in the record was agreed and stipulated to by counsel for both sides, and in certain of them if not all of them, with the approval of the Trial Court. It is manifest, therefore, that counsel for appellees in those cases are in no position to challenge the correctness or completeness of the transcript of the testimony. Furthermore, as we have pointed out also, counsel for appellees in those cases cannot complain of any hardship, delay or expense which may be involved, because they were equally guilty of violating Equity Rule 75.

Entirely aside from the contentions we urged from the beginning, and still urge, as to the total want of power or jurisdiction of the Trial Court to participate in putting the evidence in condensed and narrative form and thereupon approving it and causing it to be filed in the Clerk's Office and thereby making it "a part of the record for the purposes of the Appeal," the case at Bar totally differs in all of the foregoing respects from the other cases.

With the Court's indulgence we will now point out these differences and show to the Court, in addition to the reasons we have already set forth, the many other reasons why the motion of appellant to consider the evidence on this Appeal as it now appears in the transcript or in the alternative to put the same in condensed and narrative form, cannot be allowed.

In the first place, not only did appellee not stipulate or agree to the correctness or completeness of the testimony appearing in the transcript on file, but on the contrary pointed out its incompleteness and from the beginning constantly protested that it had not been given an opportunity, in violation of Equity Rule 75, to participate or be heard in the preparation of the transcript of the testimony. We

think this is abundantly shown by what we have already said and the quotations above set forth from our brief filed in this court on January 26, 1926, to which, in this connection, we again call the Court's attention.

In the second place, it follows, that in the case at Bar, unlike the other cases, it is not a mere matter of putting [fol. 5067] in condensed and narrative form an admittedly correct and complete transcript of the evidence with the exhibits introduced by both sides.

In the third place, as we have said, the purported transcript of the evidence in the record on file is not correct and complete, but is incorrect, incomplete, garbled, emasculated, and contains matter never introduced in evidence at all, all as appears from the purported transcript of the testimony itself.

We shall point this out in detail but before doing so desire to call the court's attention to a few additional considerations.

The procedure prescribed by Equity Rule 75b under which counsel for appellee are given their day in Court and an opportunity to be heard and the Trial Court or Judge is given an opportunity also to determine "if the statement be true, complete and properly prepared" as the rule specifically provides, as a condition to its being "approved" by him, is manifestly designed to insure the statement being "true, complete and properly prepared." The Rule expressly says that the condensed statement of the evidence shall be approved "if the statement be true, complete and properly prepared." This is, we submit, tantamount to saying that it shall not be approved and filed and become a part of the record for the purposes of the Appeal, unless and until it is "true," it is "complete," and it is "properly prepared," that is to say, is condensed in the manner prescribed in the Rule.

Not only did counsel for appellant fail to give the Trial Court, and also counsel for appellee, an opportunity to participate and to be heard for the purpose of insuring the transcript of the evidence being true and complete, whether in narrative form or in uncondensed form, with full questions and answers, but, as we have said, and as we will now show, it affirmatively appears from the transcript of the purported evidence itself, that if it had been presented to

the Trial Judge for his approval, he could not under the Rule have approved the same, because it is patently and indisputably not true and not complete, entirely aside from its not having been "Properly prepared."

Therefore, it is manifest beyond controversy that it is not possible to take the purported transcript of the evidence and reduce it to narrative form and have the same approved by the Trial Court, and made a part of the record, because it is not true and is not complete but, on the con-
{fol. 5068} trary, because manifestly, it will be necessary to incorporate in the condensed statement evidence that has been eliminated, and exhibits in large number that have been omitted, and also to strike from it a great deal of matter appearing in the present purported transcript of evidence that is shown never to have been put in evidence.

In other words, it is manifestly that in the present situation of this case it will be necessary for counsel for appellant, for the first time, to begin and travel the entire route step by step, prescribed by Equity Rule 75.

This we submit cannot now be done, because, first, the term having passed and the appeal having been perfected, the lower court is now without power or jurisdiction to make or change the record of the District Court and second it is against the whole policy of the law to permit this to be done at this late day and especially under the circumstances of this case, to which we have called attention.

In their petition for rehearing counsel for the appellant urge that the dismissal of an appeal or an affirmance of a decree is an unusually and unprecedentedly severe penalty for an infraction of Equity Rule 75. This contention, we believe, is without merit.

Not only in the cases cited by this court in its opinion but in numerous cases decided by other courts of last resort, appeals have been dismissed and decrees and judgments of the lower courts affirmed and a review of assignments of error based on evidence refused, because of violation of the rules of the reviewing courts requiring evidence to be condensed and printed in narrative form.

Indiana D. & W. Railway Co. v. Ditto, 64 N. E. Rep. 222 (Supreme Court of Indiana, 1902);

Cleveland C. & St. L. Ry. Co. v. Snow, 74 N. E. 908 (App. Ct. of Indiana, 1905);

Caswell v. Hopson, 43 S. W. Rep. 547 (Ct. of Civ. App., Texas, 1897);
O'Keefe v. Beecher, 117 N. W. 353 (N. D.);
Smith v. Kunert, 115 N. W. 76;
Morgan v. Chittenden Land Co., 159 Pac. 129;
Boggs v. Cullowhee, 76 S. E. (N. C.) 717.

[fol. 5069]

I.

This Court is without power to grant the motion of the appellant and decide this case upon the merits.

1. Because the appellant has not purported to embody all of the evidence in the transcript. What is referred to therein as a "certificate of evidence" is not in fact a certificate of evidence, nor is it all of the evidence, a large number of exhibits being missing. (See "Appendix.")

a) Pages 1 to 1577, purporting to be the evidence upon the infringement issue, never were certified by the presiding judge who heard the evidence on the infringement issue, nor by his successor, Judge FitzHenry.

Fairbanks Morse & Co. v. American Valve & Meter Co., Nos. 3776 & 3782, decided Dec. 22, 1926.
In re Jewel Electric Co., 283 Fed. 978 (C. C. A. 7th Cir.);
Wong Kow v. United States, 215 Fed. Rep. 95 (C. C. A. 7th Cir.);
Buessel v. United States, 258 Fed. Rep. 811, 822, 823;
Insurance Co. v. Lenier, 95 U. S. 171.

b) It was never filed, and does not purport to have been filed in the office of the Clerk of the District Court and was never thereby or in any other manner made a part of the record of the District Court.

In re Jewel Electric Co., 283 Fed. Rep. 978 (C. C. A. 7th Cir.);
Wong Kow v. United States, 215 Fed. Rep. 95 (C. C. A. 7th Cir.);
Buessel v. United States, 258 Fed. Rep. 811, 822, 823;
Insurance Co. v. Lenier, 95 U. S. 171.

c) There is no certificate of any kind, either by the presiding Judge or by the Clerk, that what Appellant has filed

in this Court as an alleged "Certificate of Evidence" is the evidence heard by the Court on the infringement issue, or that it is all the evidence heard by the Court on that issue, so it is to be presumed that the Court's findings were supported by evidence other than that which the record on appeal discloses.

Carson v. Hurt, 250 Fed. 30, 33 (C. C. A. 5th Cir.);
In re Jewel Electric Co., 283 Fed. Rep. 978 (C. C. A. 7th Cir.);
Wong Kow v. United States, 215 Fed. Rep. 95 (C. C. A. 7th Cir.);
[fol. 5070] Buessel v. United States, 258 Fed. Rep. 811, 822, 823;
Insurance Co. v. Lenier, 95 U. S. 171.

d) It affirmatively appears from the "Praecipe for Record," the transcript itself, and Appellant's counsel in open court and in the Petition for Rehearing have admitted, that the Appellant has not embodied in the alleged "Certificate of Evidence" all of the evidence on the infringement issue (See "Appendix").

In the petition for rehearing and an affidavit printed therewith it is stated, and upon the argument of Appellant's motion on January 4, 1927, Appellant's counsel admitted, that evidence had been omitted by "elimination and condensation" indulged in by Appellant's Solicitor without any consent of the court or the Appellee.

2. What the appellant has embodied in the transcript of the record as an alleged "certificate of evidence" (pages 1578 to 4591 inclusive), purporting to be the "evidence relating to accounting" cannot be the basis of any hearing in this court upon that issue because a large number of exhibits are missing.

4 C. J. 443;
Rupert v. United States, 181 Fed. (C. C. A. 8th Cir.), 87, 89;
U. S. v. 337 Cases of Wine, 1 Woods (U. S. Cir. Ct.), 47;
Reed v. Gardner, 17 Wallace, 409;
Leftwitch v. Lecanu, 4 Wallace, 187;
U. S. v. Siden, 293 Fed. 422;
Weaver v. Schumpert, 168 Fed. 43;

S. W. Va. Imp. Co. v. Frari, 58 Fed. 171;
Newport News v. Yount, 136 Fed. 589;
Peshtigo Co. v. Merchants & Shippers Agency, 82 Ill. App. (1st Dist.), 149;
Legnard v. Rhodes, 51 Ill. App. (1st Dist.), 477;
Charles v. Remick, 50 Ill. App. 534;
Tolman v. Dreyer, 50 Ill. App. 243;
Hennessy v. Metzger, 50 Ill. App. 533;
Hursen v. Lehman, 35 Ill. App. 489;
Byrne v. Clark, 31 Ill. App. 651.

a) The transcript of record does not contain any certificate whatever by the Master purporting to show that the evidence embodied in this transcript was the evidence taken [fol. 5071] and heard by him, nor does it contain anything showing that it was all the evidence taken or heard by him.

Wheeler v. Abeline Natl. Bank Bldg. Co., 159 Fed. 391, (C. C. A. 8th Cir.);

Citing

Sheffield Ry. v. Gordon, 14 Sup. Ct. Rep. 343;
Green v. Bishop, 1 Cliffe 186;
Donnell v. Columbian, Federal cases 3987;
McCourt v. Singer, 145 Fed. 103.

b) There is nothing in the transcript to show that it was the so-called evidence upon the accounting issue (pages 1578 to 4591 inclusive), nor does the transcript purport to show even a file mark on said purported evidence purporting to show when it was filed in the Clerk's office or that it was ever so filed.

c) It affirmatively appears from the "Praecipe for Record," the transcript itself, and Appellant's counsel in open court and in the Petition for Rehearing have admitted, that the Appellant has not embodied in the alleged "Certificate of Evidence" all of the evidence on the accounting issue (See "Appendix").

In the petition for rehearing and an affidavit printed therewith it is stated, and upon the argument of Appellant's motion on January 4, 1927, Appellant's counsel admitted, that evidence had been omitted from the evidence taken by

the Master by "elimination and condensation" indulged in by Appellant's Solicitor without any consent of the court or the Appellee. (Pet. p. 8.)

II

The Appellee, within seven days after the printed copies of the transcript of record were filed in this Court, called the attention of Court and counsel to the fact that the appellant, in preparing the transcript of record, had not complied with Rule 75 both by motion in writing and in open court and otherwise. The statement in the petition for rehearing that there was no motion in this Court raising this question is incorrect, although no motion on the part of the appellee was necessary.

Fairbanks, Morse & Company v. American Valve & Meter Company. No. 3776. Decided Dec. 22, 1926.

[fol. 5072] III

An order of this Court such as the appellant requests "Directing the lower court to now entertain procedure in accordance with Equity Rule 75b to bring about a statement of the evidence in simple and condensed form" would be a nullity. The term having passed and the appeal having been perfected, the cause is pending solely in this court and the District Court has lost jurisdiction. Any act of the District Court, or any other purporting to be made by it in this cause, would be coram non judice. Such an order would direct the District Judge to do an act which (as a court or judge) he is powerless to perform. This Court ought not to direct the District Court or judge to perform a judicial act in a cause not pending in that court (except where a mandate remanding the cause is directed). (See in support of these contentions our brief filed herein on January 26, 1926, where the matter is fully discussed and many cases cited in support.)

Jennings v. Phila. B. & W. Ry. Co., 218 U. S. 255;
Mich. Ins. Bank v. Eldred, 143 U. S. 293;
Blisse v. U. S., 263 Fed. (C. C. A. 2nd Cir.), 961, 965;
Hovey v. McDonald, 109 U. S. 150; 3 Sup. Ct. 136;

First National Bank v. State National Bank, 131 Fed. (C. C. A. 9th Cir.), 430;
In re Gustin, 281 Fed. (D. C. Mich. 1922) 320;
Keyser v. Farr, 105 U. S. 265, 266;
Draper v. Davis, 102 U. S. 370;
Kendrick v. Roberts, 214 Fed. (D. C. Ga.), 268;
Omaha Elec. L. & P. Co. v. City of Omaha, 216 Fed. (C. C. A. 8th Cir.), 848, 855;
Morrin v. Lawler, 91 Fed. (C. C. N. Y.) 693;
Fed. App. Jur. and Pro. (Zoline) par. 646;
Harding v. Oregon-Idaho Co., 110 Pac. (Ore.) 412, 414.

[fol. 5073] IV

Appellant's motions are based upon a complete misapprehension and a false premise because they assume that the evidence upon both issues has been properly preserved and filed and made a part of the record and nothing remains but to condense or abstract it. This is not correct. Appellant in its petition for rehearing and motion to direct condensation of the record assumes and states that while it did not comply with Equity Rule 75 it embodied in the transcript of record a "certificate of evidence" containing all the evidence in question and answer form. This is not true. There is no certificate of evidence in this record upon the infringement issue, nor is there any certificate by the Master of any kind showing that the evidence incorporated in the transcript (purporting to be the evidence on the accounting issue) was the evidence taken and heard by him, nor any certificate by the clerk showing that it was the evidence attached to and filed with the Master's report or returned and filed by the Master in the clerk's office as the evidence taken and heard by him; nor is there any file mark shown anywhere in the transcript as to the evidence upon the accounting issue is all of the evidence taken or heard on that issue, but the contrary affirmatively appears. A check-up of the record shows that out of 196 exhibits introduced in evidence 114 are omitted from the transcript. Therefore, there is nothing in this transcript to be condensed or which anyone has the right or power to condense or reduce to narrative form. Nor could this court consider such evidence even if

condensed and reduced to narrative form. Since it would not be *all* of the evidence, it will be presumed that the decrees on both issues are supported by evidence other than that which this record discloses.

Wheeler v. Abeline Nat'l Bank Bldg. Co., 159 Fed. 391 (C. C. A. 8th Cir.);
Citing, Sheffield Ry. v. Gordon, 14 Sup. Ct. Rep. 343;
Green v. Bishop, 1 Cliffe 186;
Donnell v. Columbian, Federal cases 3987;
McCourt v. Singers-Bigger, 145 Fed. 103.

[fol. 5074] V

Although the point upon which the Court bases its decision was raised in November, 1925, over a year ago, appellant took no steps to comply with Equity Rule 75, evidently deeming it unnecessary to do so, and on October 6, 1926, submitted the case to the Court for decision.

After this Court has rendered an adverse decision, the Appellant is not entitled to have this Court reopen the case and now permit the Appellant to do what it should have done at the time it perfected its appeal or before the case was submitted.

United States v. Adams, 9 Wallace, 554;
Cimiotti Unhairing Co. v. Bowsky, 113 Fed. 699;
Barlass v. Kargus, 87 N. W. (Wisc.) 800;
Blisse v. United States, 263 Fed. (C. C. A. 2nd Cir.) 961.
Oxford & Coast Line Ry. Co. v. Union Bank, 153 Fed. 723, at 728;
Clark-Harris Co. v. Douthet, 31 Pac. (Wash.) 442;
Drake v. New York Iron Mine, 55 N. Y. S. 920;
Allen v. LeMoyne, 101 Ill. 655;
Hanson v. DeVita, 72 Atl. (N. J.) 60;
Nealan v. Ring, 193 Pac. (Ore.) 747;
Tunnicliff v. Watts, 210 S. W. (Mo.) 876;
Smith v. Gustin, 81 N. E. (Ind.) 722;
Buessel v. United States, 258 Fed. (C. C. A. 2nd Cir.) 811, 824.

VI

The appellant did not have the evidence in this cause certified by the district judge pursuant to the permission granted January 29, 1926. The only action taken by the District Court pursuant to this court's order was an order entered of record on March 30, 1926, which purports to be shown in a supplemental transcript of record filed April 13, 1926. This purported order of the District Court entered March 30, 1926, is not a certificate, does not authenticate or identify the evidence, and is a nullity.

In order to approve and certify the evidence it is necessary for the Court to indicate such approval by a certificate signed by him at the end of the evidence itself for the purpose of authentication and identification.

Insurance Co. v. Lanier, 95 U. S. 171;

[fol. 5075] In re Jewell Electrical Instrument Co., 283 Fed. (C. C. A. 7th Cir.) 978;

Wong Keow v. U. S., 215 Fed. (C. C. A. 7th Cir.) 95;

Buessel v. U. S., 258 Fed. (C. C. A. 2nd Cir.) 811, 822, 823;

Carson v. Hurt, 250 Fed. (C. C. A. 5th Cir.) 30, 33.

I

This Court is without power to grant the motion of the Appellant and decide this case upon the merits.

1. Because the appellant has not purported to embody all of the evidence in the transcript. What is referred to therein as a "certificate of evidence" is not in fact a certificate of evidence, nor is it all of the evidence, a large number of exhibits being missing (See "Appendix").

In the brief filed January 26, 1926, by the Appellee in opposition to Appellant's motion for transmission and certification of evidence, we pointed out (pages 35 and 36) that what is referred to in the Præcipe for Record as a "Certificate of Evidence" is not and could not be any evidence which was ever filed in the District Court. The "Præcipe for Record" will be found in the printed transcript of rec-

ord, on pages 4873-4875, inclusive. It was filed in the office of the Clerk of the District Court and a copy served on counsel for appellee on April 24, A. D. 1925. It directed the Clerk to prepare a transcript of the record, "including therein copies of the following: * * * Certificate of Evidence, consisting of printed pages 24 to 1215, inclusive, pages 1222 to 4951, inclusive, and the following exhibits" (Here follows a list of certain memoranda, statements and exhibits).

Printed pages 24 to 1577 inclusive purport to be the evidence heard by the late Judge Humphrey upon the infringement issue. They will be found in what are marked on the outside as "Vol. I", "Vol. II", "Vol. III" and "Vol. IV." There is no certificate of any kind, either by the Clerk or by a Judge, in any of these volumes. The only certificate that purports to relate to this evidence on the infringement issue is the Certificate of the Clerk which is found at the end of Vol. IX, on page 4876. This certificate is as follows:

"I, S. T. Burnett, Clerk of the District Court of the United States for the Southern District of Illinois and keeper of the records and seals thereof, do hereby certify [fol. 5076] the foregoing to be a true and complete transcript of the proceedings had of record in said court consisting of nine (9) volumes, paged from 1 to 4877, inclusive, in a certain cause entitled Standard Asphalt & Rubber Company, a corporation, v. Barber Asphalt Paving Company, a corporation, No. 25, in equity, said transcript having been prepared in accordance with praecipe filed therein, as fully as the same appear from the records of said court now remaining in my custody and control.

In Testimony whereof I have hereunto set my hand and affixed the Seal of said Court, at Springfield, in said district, this 24th day of June, A. D. 1925.

S. T. Burnett, Clerk."

First it should be noted that the Praecipe does not direct the Clerk to embody the "Certificate of Evidence," or a copy of the "Certificate of Evidence," on file or on record in his court or any evidence whatever on file or of record in his court on either the infringement or accounting issue, but "Certificate of Evidence consisting of printed pages 24 to 1215 inclusive, 1222 to 4591 inclusive," etc., which does

not purport to be on file or of record nor all of such evidence.

In his præcipe, counsel for appellant then proceed to itemize certain exhibits which they instruct the clerk to include in the transcript of record. It appears upon the face of the præcipe that these are not all of the exhibits but only a part of them, and the clerk only certifies that the transcript contains what the præcipe calls for.

In Carson v. Hurt, 250 Fed. 30, at 33 (C. C. A. 5th Cir.), it was expressly pointed out that in the absence of a certificate by the trial court that the evidence contained in the transcript is all the evidence, it will be presumed that there was other evidence to support the findings, the court saying:

"The record contains a statement of evidence adduced by the opposing parties, which their respective counsel certified was "examined and found correct.' This statement was not approved by the court or judge, pursuant to equity rule 75 (198 Fed. x l, 115 C. C. A., x l). Nothing in it shows that it contained all, or the substance of all, the evidence adduced. The contrary not appearing, it is to be presumed that the court's findings were supported by evidence other than that which the record on appeal discloses."

In Nadeau v. Lynch, 183 Pac. 278 (Cal. App. Ct.), it was held that where testimony is taken upon appeal the judge must certify all the evidence, and where there is obviously [fol. 5077] more, the Appellate Court will not disturb findings of fact.

And in Larson v. Seattle, 208 Pac. (Wash.) 34, the certificate of the trial judge stated that the transcript contained all the evidence which appellant asked him to certify, and not that it contained all the evidence. The transcript is stricken, on motion.

It has been squarely held, and necessarily so, that even where the certificate of the Judge recites that it is all the evidence, yet, if it appears from the transcript of the evidence itself that it is not all the evidence, the court on review will refuse to consider it.

Bell v. Bell, 56 Pac. (Kas.) 471.

School District v. Trotter, 64 Pac. (Okla.) 9.

Evidently, counsel for the Appellant have proceeded upon the theory that under Equity Rule 75 Appellant's counsel

can, by præcipe, "indicate the portions of the evidence to be incorporated in the transcript." In other words, counsel have evidently construed paragraph A of Rule 75 to permit Appellant's counsel to pick out certain portions of the evidence which they desire incorporated in the transcript of record, instead of having the evidence incorporated into the record in accordance with paragraph B of Rule 75, requiring the "true, Complete and properly prepared" evidence to be approved, certified, filed and made of record. It requires no argument to show that paragraph A, providing for a "præcipe which shall indicate the portions of the Record to be incorporated in the transcript," does not authorize a solicitor to pick out or indicate such portions of the Evidence as he desires incorporated in the transcript of the record, if he expects this court to review questions of fact or mixed questions of law and fact.

It is quite apparent from the præcipe and the record, as well as from the statements in the petition for rehearing, that counsel for Appellant have frankly assumed to designate, by a præcipe, the portions of the evidence to be incorporated in the transcript on the theory that they can "prepare" the evidence under paragraph A instead of having it condensed under the supervision of the District Judge under paragraph B. In other words, counsel for the Appellant have ignored paragraph B of Rule 75, and have prepared the evidence as though they had a right to designate what evidence they wished included under Paragraph A.

Of course, this Court cannot pass upon questions of fact, or mixed questions of law and fact, without having all the evidence in the record before it. It is one thing to con- [fol. 5078] dense "true" and "Complete" evidence into narrative form under the supervision of the District Judge at a hearing at which both sides are represented as prescribed by Equity Rule 75; it is quite a different thing for counsel for Appellant, by his ex parte act, to "eliminate" evidence altogether from the transcript.

Since the præcipe itself merely designates certain exhibits, omitting other exhibits, and since the Certificate of the Clerk certifies that the transcript was "prepared in accordance with præcipe filed herein," it is quite apparent that the Clerk does not purport to certify that all of the evidence is embodied in the transcript of the record. In

any event, the contrary appears from the purported transcript of the evidence itself.

Furthermore, it appears from the petition for rehearing and the affidavit of Henry N. Paul, Esq., one of the counsel for the appellant, that the nine volumes of purported printed transcript of record were printed before the præcipe for record was filed or served upon counsel for appellee and do not contain all the evidence.

In his affidavit Mr. Paul says (Petition for rehearing, pp. 37-38):

"The decision of the Court of Appeals in this case would leave the impression that after the perfecting of this appeal on July 5, 1924, nothing was done until April 24, 1925, when for the first time a præcipe was served upon plaintiff. As a matter of fact, it was during this interval that the record was made up and printed."

Therefore, the entire transcript of record was prepared and printed in nine volumes, and after it was printed a Præcipe for Record was filed with the Clerk on April 24, 1925, which designated the things which had already been printed in the transcript of record.

By the Præcipe the Clerk was directed to include in his record, as purported certificate of evidence, not the evidence given in the case below, before the court or the Master, but something which Appellant's counsel had already prepared and printed prior to the filing of the Præcipe for Record and not something which was then on file and of record in the Clerk's office and certain selected exhibits.

This is reversing the procedure provided by Equity Rule 75a. Manifestly, these printed pages had not been filed or made of record in the office of the Clerk of the District Court either at the time of the hearing by Judge Humphrey on the infringement issue or at the time of the entry of the [fol. 5079] decree, or at the time of the filing of the Master's Report, upon the accounting issue or at the time of entry of the decree thereon.

It does not appear from the transcript of the record that these nine volumes (printed copies of which have been filed in this Court) were ever filed in the District Court. Not only does the transcript of the record fail to embody any certificate by Judge Humphrey or his successor in reference to the evidence in volumes 1 to 4 (purporting to be the

evidence on the infringement issue), but the certificate of the Clerk does not certify that the copy of the evidence in the printed transcript, from pages 24 to 1577, is a true copy of the evidence taken and heard by Judge Humphrey, nor that it is a true copy of the evidence filed in his office, nor a fortiori that it contains all of the evidence taken or heard by Judge Humphrey upon the infringement issue nor all the evidence upon which the original decree of February 20, 1917, was founded, but merely that it is a transcript prepared in accordance with a praecipe (which itself shows that it designates only a part of the evidence).

Of course, there is nothing anywhere in either Vol. I or Vol. II, III, IV, to identify it as the same volume referred to by the Clerk of the District Court in his certificate at the conclusion of Vol. 9. On the other hand, it affirmatively appears, from an inspection of that part of the printed transcript which purports to contain the "Certificate of Evidence" that it is not complete nor correct. For example, in Vol. IV, page 1517, there is purported to be set forth defendant's Exhibit 16. The page, however, does not contain the exhibit, but is blank.

Vol. IV, page 1519, purports to set out defendant's exhibit 17, but again the page is left blank.

Vol. IV, page 1543, purports to set forth "Defendant's Exhibit Pennyman Chart" but the page is left blank.

Vol. IX, pages 4732, 4733, 4734, 4735, 4736 and 4737 contains memoranda which do not purport or appear to be exhibits introduced in evidence. They are entitled "Choctaw Memorandum," "Memorandum Tank Steamers," "Losses of the Trinidad Lake Petroleum Co. from the Abandonment of Wells," "The Uintah Railway Co.," "Relationship of B. A. P. and Affiliated Companies," etc. There is nothing to show that these written memoranda were ever introduced in evidence.

On page 4746 there appear to be memoranda in reference to questions 230, 231 and 672.

[fol. 5080] On page 4747, memoranda in reference to question 636.

On page 4748, memoranda in reference to questions 678 and 352.

There is nothing to show that any of these memoranda were introduced in evidence.

On pages 4776 and 4777 there appears what purports to be "Defendant's Exhibit D," which purports to be a statement of income and costs for accounts considered in manufacturing profit shown on Exhibit C. The transcript of record filed in this Court nowhere shows that this Exhibit D was ever introduced in evidence.

Before a court of review can pass upon and review a decree entered in an equity cause in the District Court involving a question of fact or a mixed question of fact and law, it is manifest that there must be brought before it all of the evidence taken or heard in the District Court. Not even the Clerk himself certifies that the unidentified Volumes 1 to 4 (which we are supposed to assume are the same volumes referred to in the Clerk's certificate in Vol. IX) embody all of the evidence.

A careful examination of the contents of volumes 1 to 4, if assumed to be the same volumes referred to in the Clerk's certificate in Vol. IX) disclosed on their face that a large number (fourteen) of the Appellee's exhibits introduced upon the infringement issue before Judge Humphrey are not included in the alleged "Certificate of Evidence" on this issue. A large number of the Appellant's exhibits, introduced upon the issue of infringement before Judge Humphrey are not included in the printed volumes, and therefore not brought up on the appeal. (See Appendix.)

It will therefore be apparent to the Court that the objection that there is no certificate either by the Judge (who alone can make it) or by the Clerk that pages 24 to 1577, contain all of the evidence heard by Judge Humphrey upon which he bases his decree of February 20, 1917, is not a mere technicality. On the contrary, there is presented to this Court by the Appellant a record in which a large number of exhibits (which the Appellant's own record shows were introduced both by the Appellant and by the Appellee) are deliberately omitted. An itemized list of the Appellee's exhibits which are shown by printed volumes 1 and 2, to have been introduced in evidence, tabulating those which are included in the printed record and those which have been omitted, and an itemized list of Appellant's exhibits which volumes 1 and 2 show were introduced before Judge [fol. 5081] Humphrey, itemizing those which are included in the printed transcript and those which are omitted from

the printed transcript, will be found in an "Appendix" attached to this answer.

The "Appendix" shows on its face the page of the printed transcript where each exhibit is introduced, and shows whether the exhibit is included in the transcript or whether it has been omitted therefrom by the Appellant.

Upon the face of the printed transcript filed by the Appellant it is manifest that all of the documentary evidence at least which was introduced before Judge Humphrey and considered by him as the basis of his decree of February 20, 1917, is not in the printed transcript of record and is not befor- this Court.

Under these circumstances, how is it possible for this Court to "reconsider and decide this cause upon the merits?" or how is it possible for this Court to direct that it be put in condensed and narrative form and then to consider it.

The data in the appendix is taken from the motion which we filed in this Court on October 6, 1926, in connection with our motion to dismiss the appeal. A copy of this motion, together with the data in the appendix, was served upon Appellant's counsel and presented to this court in open court on October 6, 1926. Therefore, counsel for the Appellant cannot say that it comes as a surprise. The omission of so large a number of exhibits cannot be due to an oversight on the part of Appellant's counsel. It is not attempted to be explained in their petition for rehearing, but in the face of the fact that we called the Court's attention to the omission of this great number of exhibits from the printed transcript filed in this Court, the Appellant's counsel, in their petition for rehearing, without any reference to the fact that parts of the evidence are missing, calmly as this Court to "decide this cause upon the merits."

Where exhibits are not brought up on appeal with the other evidence taken and received on the trial of the cause, all of the evidence is not before the Court and therefore the cause cannot be reviewed on the evidence and the appeal must be dismissed.

In support of these suggestions see "Appellee's Brief in Opposition to Appellant's Motion for Transmission and Certification of Evidence" filed herein January 26, 1926.

In 4 C. J. 443, it is said:

"Papers included in, referred to, or annexed to the transcript, case made, abstract of record, bill of exceptions, etc., on appeal must also be authenticated and identified or they [fol. 5082] will not be considered by the Appellate Court," citing many cases.

In Rupert v. United States, 181 Fed. (C. C. A. 8th Cir.), 87-89, it is said:

"Courts make the records, and the trial judge must sign the bill of exceptions. The clerk is without authority to certify up anything, except that made of record by the orders of the court."

In U. S. v. 337 Cases of Wine, 1 Woods (U. S., 5th Cir.) 47, certain depositions were not put in the bill of exceptions at the time of the certification, but were added two months later by the Clerk. It was held that the Judge is the only one to certify and his certificate must extend to any exhibits to be brought up so as to fully identify them.

In Reed v. Gardner, 17, Wallace 409 the Clerk incorporated exhibits in the transcript but which were not contained in the bill of exceptions certified to by the Court, and the Court on appeal refused to consider the exhibits saying, "depositions, exhibits or certificates not contained in the bill cannot be considered by the court."

Leftwitch v. Lecanu, 4 Wallace 187, is to the same effect.

U. S. v. Siden, 293 Fed. 422, holds that exhibits must be put into the bill of exceptions, and follows and quotes from Reed v. Gardner, 17 Wallace 409.

In Weaver v. Schumpert, 168 Fed. 43, documents were sent up with the bill of exceptions, but not identified by the Trial Judge, and it was held they must be so identified. The court said, page 44:

"The bill of exceptions is insufficient, as the trial judge does not by marks or numbers or paragraphs identify the papers not incorporated in, but intended to be made part of, the bill."

To the same effect see S. W. Va. Imp. Co. v. Frari, 58 Fed. 171.

Newport News v. Yount, 136 Fed. 589, to the same effect.

In Peshtigo Co. v. Merchants & Shippers Agency, 82 Ill. App. (1st Dist.,) 149, the bill of exceptions concluded its statement of the evidence as follows:

"Which, with documentary proof referred to and to be inserted, was all the testimony offered on the trial of said cause by either of the said parties."

It appeared that but 2 out of the 8 exhibits offered in evidence and read to the jury were certified to by the court and filed in the Appellate Court. It was contended that [fol. 5083] counsel for Appellee refused to furnish copies or to permit counsel for Appellant to take copies of such exhibits.

The court held, however, that nothing appeared in the record with reference to any such refusal and consequently it was apparent that the bill of exceptions was not complete and the judgment of the court below must be affirmed, the court saying:

"As all the evidence produced at the trial is not before us, we must presume that the judgment was justified by such evidence, even if we felt at liberty to interfere with the verdict of the jury, on evidence which the incomplete evidence before us shows was conflicting."

In Legnard v. Rhodes, 51 Ill. App. (1st Dist.,) 477, the court said:

"It is shown by the bill of exceptions that the defendant below offered in evidence more than one hundred exhibits in writing, and the plaintiff offered several more like exhibits, and not one out of the entire number on both sides, are with the bill of exceptions, or in any way certified to us by the trial court.

"A large bundle of what may be exhibits offered on the trial, has been filed in this court, but they are not entitled in any cause and are not certified by the judge below, and we are not at liberty to regard them."

Subsequently it was made to appear that the exhibits spoken of had been detached from the record in some unauthorized manner and an order was entered that the record in the cause be restored to the condition in which it

was filed in the Appellate Court. Thereupon, upon rehearing, however, the court said:

"The exhibits referred to in the former opinion now appear tied together and attached by a string to the bill of exceptions, but with no additional authenticity lent to them. As has been repeatedly held by this court as well as by the Supreme Court, we can not look at those exhibits. It will be presumed they justify the judgment of the court below. Stock Quotation Telegraph Co. v. Board of Trade, 144 Ill. 370; Hennesy v. Metzger, 50 Ill. App. 533; Charles v. Remick, 50 Ill. App. 435, where the earlier cases are referred to. The petition for a rehearing will therefore be denied."

In Charles v. Remick, 50 Ill. App. 534, at 535, it was said:

"Between the last sheet of the bill of exceptions bearing the signature of the judge who heard the case, and the wrapper inclosing the whole and having the file markings [fol. 5084] of the case, are to be found seventeen separate sheets bearing marks of 'Exhibits' and letters, as above mentioned.

"We cannot say that these papers marked 'Exhibit's' are the same papers offered in evidence. The trial judge nowhere states them to be such, and it is to his certificate alone that we can look to ascertain what evidence was before him. As stated in the authorities cited, his signature, and nothing else, imports the truth."

And page 536:

"The papers referred to, and marked 'Exhibits,' never having been certified by the judge whose certificate precedes them, as being the papers introduced in evidence, there is no one else who can give authenticity to them. The certification by the clerk to the record is not enough."

In Tolman v. Dreyer, 50 Ill. App. 243, the exhibits were not certified to but were inserted in the bill of exceptions following the certificate of the clerk, and the court refused to consider them.

In Hennessy v. Metzger, 50 Ill. App. 533, it was held that exhibits to become part of the record must be incorporated into the body of the bill of exceptions preceding the signature of the judge.

In Hursen v. Lehman, 35 Ill. App. 489, it was held that exhibits attached to the bill of exceptions after the signature of the judge cannot be considered.

In Byrne v. Clark, 31 Ill. App. 651, certain exhibits were omitted. The parties stipulated they might be incorporated by the clerk. It was held that the determination of what should go into the bill of exceptions is a judicial act and cannot be delegated, and that therefore the exhibits would not be considered on appeal.

The omission of these exhibits is an insurmountable objection to a consideration of this case upon the merits.

2. What the appellant has enrolled in the purported transcript of the record as an alleged "certificate of evidence" (pages 1578 to 4591 inclusive), purporting to be the evidence "relating to accounting," cannot be the basis of any hearing in this court upon that issue.

Nowhere in the printed volumes filed in this Court, purporting to be a transcript of the record, is there included any certificate by the Master purporting to show that the evidence which the Appellant has embodied in this transcript as the evidence heard by the Master upon the accounting [fol. 5085] issue was in fact the evidence taken and heard by him, and the transcript does not contain anything showing that it was all of the evidence taken or heard by the Master.

As we have already stated, in the Praecipe for record, there is included a "Certificate of Evidence consisting of pages 24 to 1215 inclusive, pages 1222 to 4591 inclusive, and the following exhibits," etc. We have already discussed what purports to be the "Certificate of Evidence" consisting of printed pages 1 to 1577 inclusive. Here again we find that Appellant's counsel have assumed the right to pick out certain exhibits to be included and omit others. We shall now discuss the "Certificate of Evidence" consisting of printed pages 1578 to 4591 inclusive.

Pages 1578 to 4591, inclusive, will be found in volumes 5, 6, 7 and 8. None of these printed volumes contain any certificate of any kind. The only certificate which purports in any way to relate to or certify in respect to the evidence in these volumes upon the accounting is the general certificate of the Clerk to which we have already referred (p. 4876), which certifies that it is prepared according to the

praecipe. As we have already pointed out, this certificate is not sufficient to enable this Court to pass upon the merits of this cause.

Referring to the certificate of the Clerk which we have above set forth, what we have already said as to the evidence purporting to have been heard by Judge Humphrey applies equally to the evidence printed in this transcript purporting to be evidence taken and heard by the Master.

Just how the Clerk of the District Court could make a certificate under any circumstances with reference to evidence heard by a Master as to whether or not it was all the evidence which he heard we confess we are at a loss to know. But the Clerk does not purport to undertake to so certify. The Clerk's certificate extends only to proceedings "had of record in said court" and includes only what is designated by the praecipe.

The certificate is silent as to whether or not the purported evidence contained on pages 1578 to 4591 of the printed record was the evidence heard by the Master, nor does the certificate state whether or not the evidence in the printed record which purports to relate to the accounting was attached to the Master's report or returned with the Master's report or filed by the Master. One looks in vain through the printed pages to even find any file mark with respect to this evidence. If it was filed by the Master [fol. 5086] in the Clerk's office, we would be glad to have counsel for Appellant inform us as to where the file mark is shown in the printed transcript of record, as we have searched for it in vain.

"A Master's findings of fact upon evidence taken by him cannot be impeached upon appeal in the absence from the record of this certificate or other competent proof either that the evidence presented is the entire evidence taken by him or that it contains all the evidence which was before him relating to the specific finding or findings challenged."

Wheeler v. Abilene National Bank Building Co., 159 Fed. 391 (C. C. A., 8th Circuit), citing

Sheffield Railway v. Gordon, 14 Sup. Ct. Rep. 343, 151 U. S. 285.

Green v. Bishop, 1 Cliff. 186.

Donnell v. Columbian, Fed. Cases 3987.

McCourt v. Singers-Bigger, 145 Fed. 103.

Exhibits Introduced Before Master on Accounting Issue Omitted from Transcript

With respect to the exhibits introduced before the Master on the accounting issue, the printed transcript of record filed in this Court is absolutely incomplete. A number of exhibits which the transcript of record itself shows were introduced in evidence are omitted (See "Appendix").

The statement in the printed petition for rehearing on page 23 of this subject is enlightening:

"The Master in this cause was an elderly gentleman over eighty years of age. He died before the appeal. He had left the papers filed by him with his report in great confusion. Many were unidentified. Many were duplicated. Many tables of figures submitted by the accountants had informal pencilings in the margin. To straighten this out and produce the accounting exhibit book (Vol. IX) of the record involved several months of hard labor. The official printer of this court was in charge of printing this record, he made numerous trips to Springfield and Philadelphia in the effort to properly prepare this part of the record. There has been a great deal of condensation as a result of his labors and those of counsel."

This statement is further amplified in the affidavit of Henry N. Paul, Esq., printed in the petition for rehearing. We quote from page 38 of that printed petition as follows:

"The accounting papers which had been filed by the [fol. 5087] Master with his report were very voluminous and left by him in great confusion. He had died and the official printer of this court to whom had been entrusted the preparation and printing of this record, in consultation with appellant's local counsel in Springfield, spent many months' difficult labor in straightening out these accounting exhibits. A great mass of confused schedules, lists, calculations and accounts were found among the papers filed by the Master with his report, some identified and others not so marked. Many were duplicates. Others were duplicates except for additions or marginal pencilings. An immense amount of elimination and condensation was therefore performed. This involved voluminous correspondence between Springfield and Philadelphia, and a great

many trips of counsel or the printer. After many months' hard labor there was produced the present condensed accounting Exhibit Book (Vol. IX), which in any future condensation of the record, will not need or admit of much further condensation."

In this affidavit Mr. Paul also states (Petition for rehearing, page 38):

"In making up the printed record a great deal of the accounting record on file was carefully eliminated, thereby reducing the record, and when this had been done the praecipe, which had been deferred for this purpose, was prepared and served."

The sworn statement of one of counsel for the Appellant in the affidavit above referred to that, with respect to the exhibits introduced before the Master, an "immense amount of elimination and condensation was therefore performed" shows clearly that all the exhibits are not included in this transcript of record. This "elimination and condensation" was not "performed" under the supervision of the District Judge at a hearing at which the Appellee was represented, nor was it even done in conference with counsel for the Appellee or by stipulation or agreement. Counsel for the Appellant boldly admits that a number of exhibits were eliminated by the Appellant's counsel on their own responsibility without consulting the District Judge or counsel for the Appellee, or anyone. It is one thing for the record to be condensed under the supervision of the presiding Judge of the District Court at a hearing where both parties are represented; it is quite a different thing for one party, in preparing a record for appeal, to deliberately omit part of the evidence and call it "elimination and condensation." [fol. 5088] What right has counsel for one party, in the absence of the Judge and the opposite party, to perform what he calls "elimination and condensation of the record?" It is purely an act of emasculation totally unauthorized by any procedure.

In the face of the sworn admission by Henry N. Paul, Esq., one of counsel for Appellant who is of record in this cause in this court, that in "making up the printed record a great deal of the accounting record on file was carefully

eliminated, thereby reducing the record" is the evidence in this printed transcript to be treated as all of the evidence in the record?

The Clerk does not certify that it is all the evidence, and with the affidavit of counsel for Appellant in the record showing that it is not all of the evidence but that counsel for Appellant independently and without any authority and without consulting either the District Judge or the Appellee has "carefully eliminated a great deal of the accounting record" upon his own responsibility, how can the Court possibly "decide this case upon the merits" or "make an order directing the lower court to bring about a statement of the evidence in simple and condensed form" and then decide the case upon the merits.

In the face of these sworn statements by one of counsel for the Appellant in an affidavit filed in this court, what becomes of the statement in the petition for rehearing that "Appellant's counsel in the present case had every reason to believe, and did believe, that this court shared the view of these other Circuit Courts of Appeal and would adhere to its similar practice, and that in obtaining certification of a complete transcript of the evidence such counsel were only doing that which was in accordance with the long recognized practice of this court." (Petition for rehearing, page 3.)

This statement is made to appear absolutely disingenuous and incorrect by the affidavit of Mr. Paul, as they did not "obtain certification of a complete transcript of the evidence." Counsel for the Appellant undertook to censor the evidence and to eliminate a "great deal of the accounting record."

Counsel for the Appellant eliminated from the record what he wanted to eliminate, without any right or authority and without any attempt to comply with equity rule 75. Now we have a record in which the evidence is neither "true" and "complete" nor as equity rule 75 prescribes condensed under the direction of the District Court into narrative form. It is neither one thing nor the other. Is it possible that the learned counsel for the Appellant did not know that they had no right to emasculate the record secretly and privately, in the absence of the District Judge and in the absence of the Appellee, and then file it as purporting to be [fol. 7089] a complete certificate of evidence?

Appellant's counsel, after having submitted the case to this Court for a determination upon the merits, with a certificate of the Clerk which they claim showed that it was a complete record, now admit in their petition for rehearing and in their affidavit filed after this Court has decided the case, that counsel for the Appellant themselves, without consulting anyone, deleted and eliminated evidence from the transcript.

The statements in the petition for rehearing and in the affidavit of Mr. Paul were intended to excuse the long delay in the filing of the transcript of record on appeal, but they show other things which make it quite apparent that what has been filed in this Court as a "Certificate of Evidence" does not contain all the evidence but is admittedly and confessedly incomplete.

The explanation given in the petition for rehearing and the affidavit that it was necessary for the "official printer" to make numerous trips to Philadelphia and that the preparation of the record involved voluminous correspondence between Springfield and Philadelphia appears to confirm what we have repeatedly stated about the evidence purporting to have been taken by the Master. If this evidence was returned by the Master with his report or filed by him in the Clerk's office, it is difficult for us, and probably will be for the Court, to understand why it should be necessary for the printer to make numerous trips to Philadelphia or necessitate a "voluminous correspondence between Springfield and Philadelphia" in order to print what should have been on file in the Clerk's office at Springfield.

As it must be clearly apparent that all of the evidence on either the infringement or the accounting issue is not included in the record, or shown by any certificate to be included, this Court cannot comply with the Appellant's motion to "reconsider and decide this cause upon the merits." The same difficulty confronts the Appellant in respect to its motion for an order directing the lower court to now proceed to prepare a statement of the evidence in simple and condensed form.

Counsel for Appellant either did not understand or ignored Equity Rule 75. They have no right by praecipe to direct the clerk to incorporate anything in the transcript of the record that was not part of the record and hence could

[fol. 5090] not by præcipe direct him to put into the transcript of the record any evidence until after the "true" and "complete" certificate of evidence had been approved by the trial Judge and filed in the office of the Clerk and thereby made a part of the record in the cause. When this had been done, then and only then had they the right to direct the clerk to incorporate the evidence in the transcript of the record on appeal. The meat and kernel of Equity Rule 75 is clearly stated by this Court in Fairbanks Morse & Co. v. American Value & Meter Co., Nos. 3776, 3782, decided Dec. 22, 1926, as follows:

"On appeal this court, in a sense, hears the case de novo, but it must not be forgotten that it hears it not as a trial but as a reviewing court. The case is heard here upon such parts of the record, made in the court below, as the parties deem necessary to review certain questions raised and decided there. The record in the trial court ordinarily consists of the process, pleadings, report of the master, if there be one, and the decree. The evidence is not of itself part of the record, but may be made so 'in case of appeal' only in accordance with clause (b) of Equity Rule 75. When the evidence has been so made a part of the record in the court below, clause (a) of the rule provides how it may 'be incorporated into the transcript on such appeal.' Except as provided in Equity Rule 77, litigants have no power to stipulate what the record here shall contain."

Of course, if all of the evidence was not brought up appellant cannot have a review of any questions of fact or mixed questions of fact and law. Carson v. Hurt, 250 Fed. 30 at 33 (C. C. A. 5th Cir.).

II

The appellee, within a few days after the printed copies of the Transcript of Record were filed in this Court, called the attention of Court and Counsel to the fact that the appellant, in preparing the Transcript of Record, had not complied with Rule 75, both by motion in writing and in open court and otherwise. The statement in the petition for rehearing that there was no motion in this Court raising

this question is incorrect, although no motion on the part of the appellee was necessary.

First. The first reason stated by the Appellant in its petition for rehearing is

(1) "There has been no motion by Appellee in this case to [fol. 5091] dismiss this appeal because the record has not been condensed, although this court in its opinion seems to have based its action on a belief and statement that such a motion exists."

This statement is, in our view, inaccurate and apparently inexcusably so.

This Court has in its opinion stated succintly the chronology of this appeal. On November 9, 1925, (seven days after the required number of printed copies of the record were filed in this court) Appellee, pursuant to a written notice to the attorneys for the Appellant, presented a motion in open court. One ground for this motion not only is expressly and specifically based upon the provisions of Equity Rule 75, but the verbiage of Rule 75 is embodied in the grounds for the motion.

The Rule requires that after the Appellant's solicitors have condensed the evidence and lodged it in the Clerk's office he shall, pursuant to notice to the opposite solicitors, ask the Court to "approve it."

The Rule then provides that "if the statement be true, complete and properly prepared it shall be approved by the court or judge."

One of the reasons assigned for the motion to strike the evidence and testimony from the purported transcript was that what purported to be the evidence (upon which the decree of infringement of February 20, 1917, was predicated) "was not approved by the court or judge before whom said cause was tried * * * and was never filed with such approval * * * in the office of the Clerk of the District Court * * * all as required by Rule 75 of the rules of Courts of Equity of the United States."

While the language in Equity Rule 75 does not specifically require the evidence when reproduced in the form of a statemen- in condensed form and approved by the court or judge to be "certified" or "authenticated" by the hand of the court or judge before whom the case was heard, this

court has held (in the cases already cited in our brief) that it is requisite that it be "certified" or "authenticated" by the court or judge.

Insurance Co. v. Lanier, 95 U. S. 171.

In re Jewell Electrical Instrument Co., 283 Fed. 978, (C. C. A. 7th Circuit).

Wong Keow v. U. S., 215 Fed. Rep. 95 (C. C. A. 7th Circuit).

[fol. 5092] Buessel v. U. S., 258 Fed. (C. C. A. 2nd C.) 811, 822, 823.

Carson v. Hurt, 250 Fed. (C. C. A. 5th C.) 30, 33.

In other words, while Equity Rule 75 is silent as to the manner in which the judge or court before whom the cause was heard shall express his approval of the statement of the evidence required to be prepared under that rule, it has been construed by this Court to mean that the Court or Judge cannot express his approval of the statement of the evidence verbally or by an order of record, but must do so by a "certification" or "authentication" under his hand, as is required in the case of a bill of exceptions.

In the same paragraph, in the grounds set forth in support of the motion, we further pointed out that what purported to be the evidence in this transcript of record had never been "authenticated" or "certified" by the Court or Judge "all as required by Rule 75 of the Rules of Courts of Equity of the United States."

Having called attention to the violation of Rule 75, which is devoted almost entirely to prescribing the manner in which the evidence shall be incorporated into the record, we do not see how appellant can justify the statement which it makes in its petition for rehearing, on page 2 and again on page 4, that there was no motion by appellee to dismiss this appeal "because the record has not been condensed," when that is what Rule 75 required. It is true this ground for appellee's motion did not use the precise words "because the record has not been condensed," neither did it repeat or embody the whole rule in ipsissima verbie, but there is no magic in those particular words and the Appellant's counsel to make their argument appear convincing have not only embodied a garbled statement of the grounds for the Appellee's motion but have actually misquoted its language.

Appellant's counsel in their petition (page 4), in reference to Appellee's motion, in referring to the reasons (which were set forth in writing and attached to the motion) state that "the third was upon the ground that the evidence was not proved and certified to by the lower court, lacking any 'certificate of evidence.'" The words "Certificate of Evidence" are quoted as from the objection.

The Court will look in vain for the words quoted from the third reason in support of Appellee's motion referred to.

There are no such words used in the third paragraph of the reasons in support of Appellee's motion, and the quoted words, not being in the original, are incorrect and misleading.

[fol. 5093] This is not the only incorrect statement on this subject. The very next quotation in the petition is also incorrect.

In their petition, in quotation marks, counsel give what purports to be a quotation from the third reason for said motion, as follows: "never became a part of the record in said cause for the purposes of the appeal herein or as required by Rule 75," etc. Whereas, in the reasons assigned in support of the motion the quotation (which is picked out from the middle of a sentence and therefore gives a peculiarly misleading impression) is "all as required by Rule 75."

The appellant's solicitors follow this by a statement that "in this motion nothing was said about the matter of a condensed record," ignoring the fact that the condensation of the evidence is the subject matter of the rule (so far as that rule relates to evidence). Rule 75, the violation of which is given as one of the reasons for the motion to strike, is devoted in large part to the provision for "a condensed record." That is what the Rule itself is about, and the Appellee having expressly stated as one of the reasons for its motion the fact that the requirements of Rule 75 with respect to the evidence had not been complied with, it appears to us to be a disingenuous quibble to make a statement that the Appellee had not made any motion on that ground. When followed by a garbled misstatement of the reasons in support of Appelle's motion embodying two actual misquotations, what more need be said?

On the same date the Appellee in open court presented to the court and filed as a part of the same document in op-

position to the Appellant's motion, reasons why the Appellant's motion should be denied, and in setting forth the reasons in varied form included, among others, that:

"The purported evidence appearing in the purported transcript of the record filed herein is not stated in simple and condensed form and the purported testimony of witnesses is not stated in narrative form, but on the contrary thereof, said purported evidence and testimony is set forth in full, all contrary to Rule 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof all of said evidence and testimony should be stricken from the purported transcript of the record in said cause and disregarded by this Court."

The reasons stated in support of a motion or in opposition to a motion are no part of the motion but are intended to appraise the opposite party and the Court of the reasons why the motion should be granted. Unless otherwise [fol. 5694] required by the rules, these reasons may be stated orally or in writing. In this case the reasons were stated both orally and in writing.

The motions by the Appellee and the Appellant above referred to were made in open court on November 9, 1925, nearly fourteen months ago. Can the Appellant now at this late date plead ignorance of the application of Equity Rule 75 to this case?

Whatever may have been the reasons which control its solicitors in attempting to file the evidence without any authentication by the presiding judge and without condensing it into narrative form, its failure to comply with that rule after its attention had been called to its violation on November 9, 1925, cannot be justified. It knew then that the Appellee was making its motion, based upon the violation of the requirements of Equity Rule 75, because the failure to comply with the requirements of that rule were stated verbally and in writing as one of the reasons for the Appellee's motion.

Furthermore, as we have already shown, this whole matter was urged and argued by appellee and answered by appellant in their brief filed in January, 1926. (See ante, page 10 et seq.)

Yet notwithstanding this, although the Appellant, after waiting sixty days, moved to remit the record to the District Court for a certificate or authentication by the court

or judge (which, by the way, it never procured), it made no move whatever to comply with the requirements of Equity Rule 75 as to condensing the evidence.

Now after three years (lacking four months) from the date of the final decree for accounting, Appellant's counsel state that the "work of preparing a condensed and simplified transcript was begun immediately upon the filing of the opinion of this case and is proceeding as rapidly as feasible." Just what this means after nearly three years delay we do not know, but if there is ever to be an end to litigation (and there certainly should be) rules governing appeals should be complied with and solicitors should not be permitted to delay the disposition of an appeal for years after the entry of a final decree.

But what, may we ask, do counsel intend to do with the "condensed and simplified transcript" after they have completed it, whenever that may be? What court do they intend or expect to submit it to for examination? What judge or court has the power, after nearly three years [fol. 5095] from the date of the final decree, to supervise what they propose to prepare as a "condensed and simplified transcript?" Possibly counsel do not intend to submit it to any court or judge to supervise it, but merely follow the practice which was indulged in with respect to the "immense amount of elimination" already done in the preparation of this record without consulting either the judge or counsel for the Appellee or anyone.

III

An order of this court such as the appellant requests "directing the lower court to now entertain procedure in accordance with Equity Rule 75b to bring about a statement of the evidence in simple and condensed form" would be a nullity. The term having passed and the appeal having been perfected, the cause is pending solely in this court and the District Court has lost jurisdiction. Any act of the District Court, or any order purporting to be made by it in this cause, would be coram non judice. Such an order would direct the District Court to do an act which (as a court of judge) he is powerless to perform. This Court ought not to direct the District Court or judge to perform a judicial act in a cause not pending in that court (except where a mandate remanding the cause is directed).

We discussed this at length with abundant citation of authorities in our brief, filed herein on January 26, 1926, to which we again call the court's attention.

The settling and signing of a bill of exceptions or a certificate of evidence is a judicial and not a ministerial act.

4 Corpus Juris, 247, 251.
Oxford & Coast Line R. Co. v. Union Bank, 153 Fed. 723 (C. C. A. 4th Cir.).
Maloney v. Adsit, 20 Sup. Ct. Rep. 115.
Mallers v. Whittier Machine Co., 170 Ill. 434.
Young v. City, 173 Ill. App. 311.
Citizens' St. R. Co. v. Heath, 55 N. E. (Ind.) 744.
Winter v. People, 51 Pac. (Col.) 1006.
Va. Devel. Co. v. Rich Patch Iron Co., 37 S. E. (W. Va.) 280.
Cincinnati Traction Co. v. Ruthman, 96 N. E. (Ohio) 1019.
Morgan v. Perkins, 113 N. W. (Mich.) 583.
Herren v. Merrillees, 54 Pac. (Okla.) 467.
Darden v. Williams, 54 S. W. (Tenn.) 669.

[fol. 5096] It is quite clear, from the provisions of Equity Rule 75, that the manner in which the evidence taken in equity causes shall be settled and approved involves a judicial hearing participated in by both parties and consideration and action by the court.

It is well settled, however, that when the term has passed and an appeal has been perfected the exclusive jurisdiction of the cause is vested in the Court of Appeals and the trial court loses all jurisdiction over the cause.

In Jennings v. Phila. B. & W. Ry Co., 218 U. S. 255; 31 Sup. Ct. Rep. 1, a bill of exceptions was signed by the trial judge after the term and after an appeal bond was approved and filed. The Court, in holding that for both reasons the Court was without jurisdiction and power so to do, among other things said:

"No order had been made in term time for the filing of such a delayed bill. Not only had the term closed, but an appeal had been allowed and perfected. The trial court had thereby lost control of the cause, and had no authority to add to or take from the record."

And continuing, the Court said:

"The proceeding was coram non judice. Appellee was not in court or before a court. The judge and the court had lost all power over the cause, the parties and the record."

Under Equity Rule 75, Appellee's counsel have a right to be heard on the settling of the certificate of evidence. Manifestly, the rule does not contemplate an arbitrary power in the District Court, or in the Court of Appeals, to direct the District Court to settle the certificate of evidence, and thereupon approve and certify and sign the same, without giving counsel for Appellee an opportunity to make the showing provided for in the Rule itself. If, however, as the Supreme Court has said, the close of the term, and especially the perfecting of the appeal, has resulted in the District Court's losing all power over the parties as well as the cause and the record, we ask how can Appellee now be required to participate in a judicial hearing in the District Court for the purpose of judicially settling the certificate of evidence?

In Michigan Ins. Bank v. Eldred, 143 U. S. 293, a bill of exceptions was signed by the Judge and filed during the term at which judgment was entered. After the expiration of the term, and after a writ of error was sued out and entered in the Supreme Court, the Judge on the application [fol. 5097] of plaintiff's attorneys ordered the original bill of exceptions to be amended by adding two exceptions to rulings made by him on the trial, and signed the same nunc pro tunc as of the date of the signing of the original bill of exceptions, and ordered it to be filed nunc pro tunc as of the date of its filing.

The court held, as we have before shown, not merely that the power of the court terminated with the expiration of the term, but this was especially true after a writ of error had been entered, the Court saying (p. 298):

"After the term has expired, without the Court's control over the case being reserved by standing rule or special order, and especially after a writ of error has been entered in this court, all authority of the court below to allow a

bill of exceptions then first presented, or to alter or amend a bill of exceptions already allowed and filed, is at an end."

In Blisse v. U. S., 263 Fed. (C. C. A. 2nd Cir.) 961, 965, the Court expressly held that after an appeal or writ of error has been perfected the lower court is without authority to sign a bill of exceptions, or, "to proceed further until the writ of error has been heard and determined and the case remanded to it," saying that, "when a writ of error is perfected the cause comes within the authority of the Appellate Court Alone," citing in support Michigan Ins. Bank v. Eldred, supra; Jennings v. Phila. B. & W. Ry Co., supra; Hovey v. McDonald, 109 U. S. 150, 157, 3 Sup. Ct. 136, and other cases.

And the Court further said (p. 967):

"The signing of a bill of exceptions after the expiration of the term is a grave matter, and it is a peculiarly grave matter when it is signed 15 months after the expiration of the term. If it is to be justified by the consent of the United States' Attorney, we do not think that his consent should rest upon his silence and upon inferences. We are also of the opinion that his consent, even if expressly given, would be ineffective, if the writ of error had already removed the case into this court."

In First National Bank v. State National Bank, 131 Fed. (C. C. A. 9th Cir.) 430, the Court said (p. 431):

"The overwhelming weight of authority of the state courts is that an appeal, properly perfected, absolutely removes the case from the trial court, and places it in the appellate tribunal. The case must of necessity, either be in the Appellate or lower court. It cannot very well be [fol. 5098] in both courts at the same time. Such a course would lead to endless confusion. Under all the ordinary rules of practice, the Appellate Court alone would have the jurisdiction. After the cause leaves the lower court, it is deprived of taking any action upon any question involved in the appeal. Many of the authorities in the state courts upon this point are collected and cited in Elliott's App. Pro. 541; The Federal authorities are substantially to the same effect."

This language was used in connection with an appeal in a bankruptcy proceeding, in which the rules governing causes in equity apply.

So in re Gustin, 281 Fed. (D. C. Mich. 1922), 320, it was held that after an appeal had been taken in a bankruptcy proceeding (which is in its nature an equity proceeding), the lower court had no power to strike from the records certain of the pleadings, the Court saying:

"As the effect of this was to transfer the jurisdiction of this court over this cause and its power to proceed further therein to the appellate court, this motion cannot be considered by me, at least unless and until the proceedings have been remanded for that purpose."

In Kayser v. Farr, 105, U. S. 265, 266, which was an equity proceeding, it was said:

"After the acceptance of the bonds for the appeal and the docketing of the course in this court, the jurisdiction of the court below was gone. From that time the suit was cognizable only in this court."

To the same effect is Draper v. Davis, 102 U. S. 370, which was also an equity case.

So in Kendrick v. Roberts, 214 Fed. (D. C. Ga.) 268, it was held that the District Court, after approving a supersedeas bond, made a part of the record in the case, which had been filed in the Circuit Court of Appeals on writ of error, has no jurisdiction to vacate the supersedeas, the Court saying:

"The jurisdiction of the Appellate Court over the case now is complete; it having been transferred to that court, and therefore entirely removed from the jurisdiction of this court."

In Omaha Electric L. & P. Co. v. City of Omaha, 216 Fed. (C. C. A. 8th Cir.) 848, 855, which was a chancery proceeding, it was said:

"It is a universal rule that the perfecting of an appeal transfers the cause to the Appellate Court, and that it remains there until it is remitted to the trial court by the [fol. 3099] sending down of the mandate."

Citing many cases.

In Morrin v. Lawler, 91 Fed. (C. C. N. Y.) 693, it was held that it is the rule of the Federal courts that when all the steps necessary to perfect an appeal have been taken, the action is within the control of the Appellate Court, and a motion for substitution of the appeal bond must be addressed to that court, saying:

"The trial court should not engage in undoing or modifying the proceedings by which such jurisdiction has been obtained."

See also Fed. App. Jur. and Pro. (Zoline) par. 646:
Harding v. Oregon-Idaho Co., 110 Pac. (Ore.), 412, 414.

In the case at bar the term has long since passed and every step necessary to the perfecting of the appeal was taken before the motion under consideration was made, as we have shown.

[fol. 5100] IV

Appellant's motions are based upon a complete misapprehension and a false premise because they assume that the evidence upon both issues has been properly preserved and filed and nothing remains but so condense or abstract it. This is not correct. Appellant in its petition for rehearing and motion to direct condensation of the record assumes and states that while it did not comply with equity rule 75 it embodied in the transcript of record a "certificate of evidence" containing all the evidence in question and answer form. This is not true. There is no certificate of evidence in this record upon the infringement issue, nor is there any certificate by the master of any kind showing that the evidence incorporated in the transcript (purporting to be the evidence on the accounting issue) was the evidence taken and heard by him, nor any certificate by the clerk showing that it was the evidence attached to and filed with the master's report or returned and filed by the master in the clerk's office as the evidence taken and heard by him; nor is there any file mark shown anywhere in the transcript as to the evidence upon the accounting issue. There is nothing in the transcript showing that the purported evidence appearing therein on either issue is all of the evidence

taken or heard on that issue. But the contrary affirmatively appears. A check-up of the record shows that out of 196 exhibits introduced in evidence 114 are omitted from the transcript. Therefore, there is nothing in this transcript to be condensed or which anyone has the right or power to condense or reduce to narrative form. Nor could this court consider such evidence even if condensed and reduced to narrative form. Since it would not be all of the evidence, it will be presumed that the decrees on both issues are supported by evidence other than that which the record discloses.

The Appellant's counsel have treated these motions as though all of the evidence was properly in the record. As to the alternative motion, they assume the only thing that is necessary is to condense or abstract the evidence under the direction of the District Court. This, is, of course, an incorrect assumption.

We have already shown that the transcript does not contain, nor does it purport to contain, all of the evidence. [fol. 5101] A careful check-up of the transcript of record and the exhibits which have been incorporated into the transcript shows that out of 196 exhibits introduced in evidence 114 are omitted from the transcript of record filed in this court. The petition for rehearing makes the rather misleading statement that in obtaining "certification of a complete transcript of the evidence such counsel were only doing that which was in accordance with the long recognized practice of this Court."

In the Illinois Supreme Court, where the evidence is abstracted and only the abstract is printed, the original transcript of record contains all of the evidence, properly certified. Under this State Court practice in Illinois the Court has before it not only the abstract but also the complete evidence. Equity Rule 75 does not contemplate the practice of abstracting the evidence, but the only thing before the Court is what the District Court, after complying with procedure in Equity Rule 75 incorporates into the record and which is then embodied in the transcript and is the only record for this Court to review. Where the evidence is patiently incomplete, as in the present case, it is quite manifest that what would amount to abstracting or condensing the record in narrative form cannot be done by anyone at

the present stage of the appeal. There is nothing to condense or abstract. There is no starting point.

Equity Rule 75 contemplates that the Judge shall supervise and direct the condensation of the evidence in narrative form as a judicial act. He exercises a discretion which is judicial in character and does it in the presence of both parties, or upon notice to the opposite party and an opportunity to be heard. Where, as in this case, the District Court has long since lost jurisdiction, he can no longer function so as to perform a judicial act as this cause is now pending in this Court and cannot be pending in two courts at the same time.

We respectfully and earnestly insist therefore, that the Appellant's motion to reconsider and decide this case upon the merits cannot be granted because, through the Appellant's deliberate act, part of the evidence was not incorporated in the transcript. Nor can it grant the motion to direct the lower court to condense the evidence under Rule 75 as a matter within the discretion of this Court, because in the present stage of this proceeding this Court cannot direct the District Court to perform any act, and particularly not a judicial one, nor can the District Court, [fol. 5102] either with or without any order from this Court, perform any act in this case and particularly not a judicial act.

We respectfully urge, therefore, that the motion to decide this case upon the merits or for an order directing the lower court to condense the evidence under Rule 75 must be denied.

This court cannot comply with the suggestion of appellant's counsel in their petition for rehearing (point 6) and pass upon the question of title, because all of the evidence is not in the transcript.

In their petition for rehearing, Point 6, counsel for Appellant ask this Court to pass upon the question of title to the Letters Patent, urging that "this Court may have overlooked the fact that upon the issue of title there is no testimony in the record." Appellant's counsel then urge that as the evidence relating to the title is documentary in character, the Court should proceed to decide the question of title to the Letters Patent upon its merits.

In view of the fact that the solicitor for Appellant who prepared the transcript of record instructed the Clerk, by the Praecipe for record which he filed, to include only certain documents which were introduced as exhibits, and has admittedly "eliminated" a large part of the evidence from the record without consulting either the District Court or counsel for the Appellee, this Court could not properly, even if it desired to do so, pass upon any question of fact in this record. Out of 196 exhibits which were offered in evidence as appears by the record, 114 exhibits, or over one-half, have been "eliminated." Is this the kind of a record upon which any court of review can base a decision upon the question of title to the Letters Patent involved if the title is in dispute? Manifestly not. It would be an unheard of practice for any court of review to decide any issue of fact upon a record which is admittedly incomplete and which has been doctored by a solicitor for one of the parties by a process of elimination and the inclusion of subject matter appearing not to have been put in evidence without the consent of the other party and without any supervision by the trial court. If this Court should undertake to do so, it is hardly necessary to point out what the consequences of such a procedure would be and what it would open the door to in other cases.

The answer is so self-evident that it hardly needs any illumination. The solicitor who prepared the transcript of [fol. 5103] record and assumed to delete and eliminate evidence and exhibits which had been offered in evidence and admitted in the District Court, should have applied to the District Court under Rule 75 to approve his act, and cannot expect this Court to decide or pass upon the question whether or not the evidence and exhibits he deleted and eliminated from the transcript of record are or are not incompetent or irrelevant upon this issue or upon any other issue.

The suggestion in the petition for rehearing that this Court should pass upon a single isolated question of fact upon fragmentary documentary evidence is ill-conceived and lacks the merit of precedent or common sense.

V

Although the point upon which this court bases its decision was raised in November, 1925, over a year ago. Appel-

lant took no steps to comply with Equity Rule 75, evidently deeming it unnecessary to do so, but in October, 1926, submitted the case to the Court for decision.

Appellant, not having complied with equity rule 75 at the time it perfected its appeal, was admonished by the Appellee, on November 9, 1925, by motions and objections, orally and in writing, but notwithstanding this, it failed to comply with the provisions of the Rule.

In October, 1926, and almost a year later, the case was argued and submitted to the Court, the Appellant having taken no steps to condense the evidence in narrative form. Now, after this Court has handed down an opinion and decision affirming the decree for failure of Appellant to comply with equity rule 75, it seeks to have the opportunity to do what it should have done at the time it perfected the appeal or a fortiori at the time the motion and objection of the Appellee was made on November 9, 1925. After this Court has decided the case and handed down its opinion, it is too late for the Appellant now to seek to be allowed to go back and comply with equity rule 75.

In United States v. Adams, 9 Wallace, 534, the Supreme Court of the United States said as follows:

"The court is of opinion that a case has not been presented by the appellee, which would justify it in the exercise as follows: 'A finding of the facts in the case by the said [fol. 5104] The second rule of this court on appeals from the Court of Claims, in respect to making up the record, is as follows: 'A finding of the factes in the case bw the said Court of Claims, and the conclusions of law on the facts on which the court founds its judgment or decree. The finding of the facts and the conclusions of law to be stated separately, and certified to this court as part of the record.'

The remedy, in case the Court of Claims falls into a mistake as to the finding of the facts, is familiar. It is by an application to this court to remit the case back for correction, if it be shown, satisfactorily, that a mistake has been committed.

In the case before us, it is admitted that the mistake was known to the party and his counsel in season to have had it corrected before hearing; but, relying on its immateriality, no step was taken to have the correction made. We do not doubt but that this opinion was hon-

estly entertained, and that this motion is made in good faith; but it is impossible not to see that, if granted, the precedent might lead to great abuse and delay in the hearing of these cases. We should allow either party to lie by till the case was decided, and the opinion delivered, and then to apply for the correction, as the exigency of the case might require, or as the materiality of the fact might appear from the ground upon which the decision was placed. On an appeal, the parties are entitled to have all the facts proved in the case before the court below, in the judgment of the court, truly found, and stated in the record, that either deemed material to the decision; and, as we have seen, the remedy is ample to correct any mistakes committed, if applied for prior to the hearing in this court. The court are not willing to go farther, and permit the remedy to be applied after the case is heard and decided, as we fear that such precedent would work greater injustice and hardship, in its general use and application, than that which may exist in any particular case."

"As was said by the Court in Blisse v. United States, 263 Fed. (C. C. A. 2d Cir.), 961:

'We are not insensible to the fact that the dismissal of a cause without passing on the merits, because the inadvertence of counsel has disregarded an established rule of procedure, is to impose upon the litigants an extreme [fol. 5105] penalty. At the same time we are compelled to adhere to established rules of orderly procedure, which experience has shown to be important in the administration of justice. The rules respecting the preparation of a case to be brought to the Appellate Court on writ of error are not uncertain and are not obscure, and it is to be assumed that they are familiar to counsel. The failure to observe them, as has frequently been remarked, only tends to confusion and to the demoralization of the procedure of the court. Du Pont v. Smith, 249 Fed. 409. To disregard such rules is to introduce uncertainty and perplexity into the administration of justice, and, as Mr. Justice Story remarked, is destructive of the law as a science. (Story's Eq. Pl., Sec. 544.)'

"So in Oxford & Coast Line R. Co. v. Union Bank, 153 Fed. 723, 728, it was said:

'While it is not the policy of the court to dismiss writs of error and cases on appeal on account of slight technicali-

ties, at the same time, the rules of this court, as well as the rules of the Circuit Court, are plain and easily understood. In this instance the provisions of the statute relating to the question at issue is mandatory and must be enforced. It is incumbent upon attorneys who practice in the federal courts to observe and strictly follow the rules of practice and procedure in preparing and presenting bills of exceptions.' (Michigan Ins. Bank v. Eldred, 143 U. S. 298.)

"Continuing, the court said:

'It is essential to the orderly procedure of the courts that attorneys should comply with the rules relating to the same; otherwise, it would be useless to promulgate rules for the guidance of those who may seek to review the action of the lower court.'

"And the Court quotes with approval from Mr. Justice Story on Equity Pleading (Sec. 544), as follows:

'The want of due form constitutes a just objection to the proceedings in every court of justice, for to reject all form would be destructive of the law as a science, and would introduce great uncertainty and perplexity in the administration of justice. Every irregularity of this sort is fraught with inconvenience, and generally tends to delays and doubts. And it has been well remarked that infinite mischief has been produced by the facility of courts of justice in overlooking errors of form. It encourages careless-[fol. 5106] ness and places ignorance too much on a footing with knowledge amongst those who practice the drawing of pleadings.'"

In Barlass v. Kargus, 87 N. W. 800 (Supt. Ct. Wis. 1901), the Court said:

"The bill of exceptions, however, is not certified to contain all of the evidence, and hence, under the rule which is frequently applied, it must be presumed that there was sufficient evidence of a conclusive nature before the trial court to justify its conclusion. Application was made after the argument by the appellant for leave to withdraw the record and return the same to the trial court for the purpose of obtaining the proper certificate. Such leave was, however, denied. We have found it necessary to adhere closely to the rule that the record must be complete when a case is placed upon the assignment for argument."

In Clark-Harris Co. v. Douthet, 31 Pac. Rep. 422, the Court said:

"Appellant moves to reinstate this cause, and asks leave to withdraw the transcript to enable the judge of the superior court to amend his certificate thereto, which, by the judgment of this court heretofore rendered in the cause had been declared insufficient, and on that ground the appeal had been dismissed. A motion to withdraw the transcript, in order to enable a certificate of the superior judge to be amended to correspond with the facts, or for any other material correction of the transcript to meet the objections of the respondents, is a proper one to be made, and will, in ordinary cases, before the final determination of the cause, be granted. This rule of practice is clearly shown by the authorities cited by counsel for appellant, and has been frequently recognized and laid down by this court. And had this motion been made immediately after the filing of the respondents' brief in which objections to such certificate were raised, it would undoubtedly have been granted without any terms whatever, and even up to the time of the final submission of the cause it would, upon proper suggestion, and a sufficient showing why it had not been sooner made, have probably been granted upon such reasonable terms as the court saw fit to impose. But in this case the appellant, after having not only by the brief of respondents, but also by the oral argument upon the [fol. 5107] motion to dismiss, had his attention fully called to the insufficiency of such certificate, saw fit to stand thereon, and failed to ask this court for any relief whatever against the action of the court below in making the same, or even to suggest to this court that the certificate did not fully correspond with the facts in the case. Instead of so doing, he awaited the decision of the court, and when he found that it was against him, he for the first time sought to have such certificate changed. Under these circumstances, in our opinion, he is entitled to no relief, and the other party is entitled to have the judgment of the court treated as final. To hold otherwise would be to encourage a party to an action to await the decision of the court upon any doubtful proposition, and, if against him, ask to be relieved therefrom by alleging facts which resolved such doubtful question into a certainty in his favor. In other

words, it would allow a party, in order to save himself some little trouble that the exact facts might be made to appear, to take the judgment of the court upon the sufficiency of the partial statement of facts, and then, if such decision was adverse to him, suggest for the first time the additional facts, and upon such suggestion ask to be relieved from the effect of the judgment of the court upon the partial statement of facts upon which he voluntarily saw fit to rest his case. None of the cases cited by appellant, in our opinion, present a case of this kind, and such a course would, in our judgment, be destructive of any proper practice in a court of justice."

Drake v. New York Mine, 55 N. Y. Supp. 920 (S. Ct. App. D.).

This was an action by Drake, and judgment was against him. He appealed to the Supreme Court, where the case was affirmed and then to this court, where it was again affirmed, on the ground that appeal was made on the judgment roll only, and the evidence was not before the court, and it could not therefore consider the facts. Drake then moved for leave to amend his record and this was denied, the court saying:

"It is now over four years since the judgment was rendered. When the case was pending before the court of appeals, and in a condition where the plaintiff might have made a motion to amend his record if he so desired, and before argument, the defect upon which the court based its determination was pointed out to the plaintiff, and he then understood that the objection which subsequently controlled the action of the court would be taken. It was [fol. 5108] made to appear by the plaintiff upon this motion that he was fully apprised of such point, made critical examination of the same, and reached the conclusion that the questions which he sought to present in the court of appeals were sufficiently raised by the exceptions which then appeared in the record. Having elected to take his chances of an adverse decision upon the record which he had made up, and being in no wise misled, by ignorance or otherwise, he ought not now, in the orderly administration of the law, to be heard to complain. It is the

public policy of the state that litigation shall some time have an end; and where a party has had an opportunity to present his case to the court upon a record of his own making, and which he deems sufficient, he cannot thereafter make a new record for the purpose of having his case re-heard. To adopt such a rule of law would leave the judgments of the court of last resort open to be continually disturbed in their finality, and would impose upon the court an obligation which, in the present state of burdens already imposed upon it, would render impracticable the determination of causes and the final ending of litigation. It is no answer to say that the plaintiff has never had a determination of the case upon its merits. The fault for such fact rests with him and his fate in this regard is by no means unusual, for very many of the judgments rendered by the court of appeals and other appellate tribunals proceed upon questions of law in which the merits of the controversy are not involved, and when, perhaps, correct practice might have sufficed to have procured a decision upon the merits. These cases are so frequent that were it once the established rule that a party might litigate and invoke the judgments of all the courts in the state, be beaten upon his legal propositions, and then come back and renew the same proceedings in the appellate tribunals, upon no other basis or reason than that he had mistaken his practice, or failed to have his record contain the true case as it appeared upon the trial, there would be little dispatch of business or end to litigation. In the present case, as we have already stated, the plaintiff has not even the excuse that he was misled in the court of last resort. There is therefore no basis upon which he can now ask that a new record shall be made up."

[fol. 5109] Allen v. Le Moyne, 101 Ill. 655.

The court here held that an application to amend the record, made after decision and pending an application for rehearing, comes too late, unless very special circumstances are shown.

"If it happen that the record is so far incomplete as not to present the real merits of the case as developed on the trial in the court below, steps should be taken in

apt time to supply the deficiency. It is too late at this stage of the case,—after the decision of the court has been rendered, and pending an application for a rehearing,—to ask that the alleged omitted matter be now supplied, and thus perhaps present an entirely different case for our consideration from that submitted for determination on the original hearing. Such a practice would be exceedingly objectionable, as enabling parties to bring their cases to this court by piecemeal, and should not obtain in any case except there be shown very special circumstances, which we do not discover here, requiring a deviation from the usual course.

The motions will have to be denied."

In Nelson v. Ring, 193 Pac. (Ore.) 747, which on the facts will be found strikingly similar to the facts in the case at bar, the case was argued Oct. 6, 1920, and opinion handed down later, the opinion declining to consider the testimony because it had not been filed with the Clerk of the Circuit Court or authenticated by the Circuit Judge. After the opinion, appellant secured the certification, and now moves for a rehearing on the merits.

In this case the appellant claimed he had no idea that the testimony was uncertified, and didn't know how it got into the Clerk's office in the first place, and that the testimony had been shown to appellees, who agreed to its accuracy.

The court holds that this application is too late.

"This application comes too late. Had it been made before the hearing, we would have been inclined to permit the transcript to be amended; but to allow a party after having tried his case upon the transcript he has presented, and after defeat, to procure an amendment of it and a rehearing upon the transcript as amended, would lead to intolerable delays in the administration of justice. This is especially the case in instances like the present, where the defect was pointed out in the respondent's brief. We [fol. 5110] quote from that brief the following:

'There is another feature in this case, that we are to presume that the transcript contains all of the evidence and exhibits. There was no official reporter appointed by the court to report or transcribe the evidence in the case and the same does not bear the file mark of the clerk of the

court, nor is it identified in his certificate or by the certificate of the trial judge.'

"This brief was filed November 8, 1919, and the hearing was had on October 6, 1920, so that appellant had nearly a year prior to the hearing in which to procure the certificate of the trial judge, had he deemed it material."

(The time here is practically identical with the time in the case at bar.)

"Neither the affidavit nor the transcript of testimony shows any such controlling equities as should induce this court to disregard the salutary rule announced in State v. Jennings, 48 Ore. 483, 494; 87 Pac. 524, 89 Pac. 421, 424, which is substantially to the effect that amendments to the transcript will not be permitted after a cause had been argued and submitted and an opinion handed down. See also McCann v. Burns, 73 Ore. 167, 172, 136 Pac. 659, 143 Pac. 916, 1099, 1100; Noble v. Watrous, 84 Ore. 418, 426, 163 Pac. 310, 165 Pac. 349; Malloy v. Marshall-Wells Hardware Co., 90 Ore. 303, 359, 173 Pac. 267, 175 Pac. 659, 176 Pac. 589.

"The petition for rehearing is denied."

In Tunnicliff v. Watts, 210 S. W. 876 (Sup. Ct. Mo.) the record was deficient in certain formal aspects. A motion to dismiss the appeal or affirm the judgment was made, and this is sustained and judgment affirmed. Appellant made affidavit that he was greatly rushed at the time, and also that he was unfamiliar with appellate practice, and unintentionally omitted the missing items, and asked leave to amend.

Held that a motion to amend comes too late after a motion to dismiss or affirm.

In Smith v. Gustin, 81 N. E. (Ind.) 722 the court says:

"The rule has been long established that this court will not grant a rehearing to enable a party to correct or perfect a record."

See also Conductors Benefit Assoc. v. Leonard, 166 Ill. at 161, which involved amendment of a certificate of evidence to include what had been omitted by error of the clerk of the Appellate Court.

[fol. 5111] Furthermore, as was pointed out by this Court in the case at bar, and in the case of Buessel v. United States, 258 Fed. (C. C. A. 2nd Cir.) 811, 824, the Equity Rules have the force of a statute, and no particular case can be exempted from their operation, the Court saying:

"We may add that whatever may or may not have been the practice in this circuit prior to 1912 in the matter of preparing the record in an appeal, the subject is governed by rules 75, 76 and 77, as framed by the Supreme Court, and that there is no power in this Court to exempt a particular case from their operation. The rules, having been promulgated under the authority of an Act of Congress, have the authority of statutory regulation. Winter v. Ludlow, 104 Fed. Cas. No. 17,891."

So the Supreme Court of the United States in the Houston case, cited by this court in its opinion, page 6, declined to consider the evidence, which, on issues involving consideration of the evidence, is tantamount to affirmance.

VI

The Appellant did not have the evidence in this cause certified by this District Judge pursuant to the permission granted January 29, 1926. The only action taken by the District Court pursuant to this Court's order was an order entered of record on March 30, 1926, which purports to be shown in a supplemental transcript of record filed April 13, 1926. This purported order of the District Court entered March 30, 1926, is not a certificate, does not authenticate or identify the evidence and is a nullity.

In order to approve and certify the evidence it is necessary for the court to indicate such approval by a certificate signed by him at the end of the evidence itself for the purposes of authentication and identification.

Upon the Appellant's motion to remit the record to the District Court for an additional certificate, which this Court allowed on January 29, 1926, the Appellant, after waiting two months, went before District Judge Fitz Henry on March 29, 1926, and had a purported order entered redocketing the case in the District Court. On the following day, March 30, 1926, another purported order was entered by the District Court purporting to identify the evidence. These

[fol. 5112] proceedings in the District Court are shown by what is called a "Supplemental Transcript of Record," filed in this Court on April 13, 1926, without any order granting or motion asking leave.

The purported order entered of record in the District Court on March 30, 1926, is not and could not, in the nature of things, be a certificate. A certificate of evidence necessarily implies and requires that the evidence itself be signed and certified and thereby identified by the presiding judge.

In the following cases, which we cited and quoted from in our brief filed January 26, 1926, it was expressly held that the approval of the Court must be evidenced by his signature to the evidence itself for the purposes of identification and authentication.

Insurance Co. v. Lanier, 95 U. S. 171.

In Re Jewell Electrical Instrument Co., 283 Fed. (C. C. A. 7th C.) 978.

Wong Keow v. U. S., 215 Fed. (C. C. A.) 7th C.) 95.

Buessel v. U. S., 258 Fed. (C. C. A. 2nd C.) 811, 822, 823.

Carson v. Hurt, 250 Fed. (C. C. A. 5th C.) 30, 33.

That the entry of these two orders of March 29th and March 30, 1926, are judicial acts, there can hardly be any doubt. We can hardly imagine how there can be any question that entering an order, or a purported order, by a court is anything but a judicial act. Certainly no one would contend that the entry of an order by a court is merely ministerial.

As we have shown in our brief filed on the motion to dismiss, and by the authorities cited in this answer, this case is pending in this Court and cannot be pending in the District Court. The District Court lost jurisdiction completely and for all purposes when the term passed and particularly when the appeal was perfected, and the purported orders entered by the District Court on March 29 and March 30, 1926, are nullities. The whole proceeding in which those orders were purported to be entered by the District Court can only be characterized, as they were by the Supreme Court in a case we cited, as coram non judice.

Jennings v. P. B. & W. Ry. Co., 218 U. S. 255.

It is now proposed, by the motions in this cause, to have the District Court go on and continue to perform similar acts and to attempt to function in this cause while the case is pending in this Court. It seems to require no further argument to show the futility of the course proposed by the Appellant's counsel by these motions.

[fol. 5113] Incorrectness of Certain Statements in Petition for Rehearing Pointed Out

We have already referred to and commented on certain statements in the Petition for Rehearing, which, in our view, are based upon a misconception of fact or law. Some of lesser importance we cannot reply to without unduly extending this Answer, but there are others that we do not feel, in fairness to the Appellee, can be ignored.

It is said by appellant (page 2, Petition for Rehearing) that this court after having the record before it ordered it sent down to the Lower Court in order that it might be returned with a Certificate of Evidence without ordering or suggesting that the record ought to be condensed.

Counsel for appellant cannot thus shift the blame upon this court, we submit. It was up to counsel for appellant to obey the rules of this court, especially after the violation of the same had been pointed out and insisted upon by appellee in its brief and argument of January 26, 1926, hereinabove quoted from at length. This court simply allowed counsel for appellant to do whatever they might see fit to protect their record, and expressly provided in its order, submitted by counsel for appellant "that the effect or validity of such certificate, if obtained, shall be reserved for final determination of this cause."

Counsel say (page 5) that "No objection had been made by appellee to this praecipe, although it specified the testimony already printed and in uncondensed form." Appellee was under no obligations to make any objection to the praecipe in question for the reason that the testimony was not and could not be made a part of the record until after it had been approved in the manner prescribed by paragraph (b) of Rule 75, and had been filed and thereby made a part of the record. Section (a) of Rule 75 having to do with the praecipe is not operative upon anything not a part of the record, and the testimony in the cause does not become a

part of the record until it has been approved and filed as provided for in paragraph (b) of Rule 75.

Counsel say (page 5) "Appellee's counsel expressed their readiness to argue the question arising on the accounting on the record as it stood which, of course, could not have been done had appellee insisted that the accounting evidence must be reduced to narrative form."

There is absolutely nothing to justify any such statement.

[fol. 5114] Again counsel say (page 6) that counsel for appellee "had expressed their satisfaction" as to the accounting record.

This statement is not only utterly without foundation or justification, but is contrary to the facts.

On the contrary, we insisted always that Equity Rule 75 had not been complied with in respect to any of the evidence.

Counsel also say (page 6) that both sides appeared before the District Court and a "Certificate of evidence" was obtained. They fail to say that counsel for Appellee appeared before the District Court specially and for the purpose of objecting to the jurisdiction of the court and otherwise did not participate, as the order of the District Court of March 30, 1926, expressly shows.

Again, they say that the District Judge added to the order his direction that all the testimony in the cause be reproduced in the exact words of the witnesses and not in narrative form, and that such an order had not been secured previously because of the acquiescence of Appellee's counsel in the praecipe calling for the entire record and his failure to move for a condensation of the record. In the first place, let it be noted that the praecipe never called for the "entire record" but only for a part of it, particularly omitted 114 exhibits introduced on both the infringement issue and the accounting issue by both sides. In the second place, counsel for Appellee did not acquiesce in the praecipe. The praecipe called for things that were never made a part of the record of the District Court, as we have shown, and counsel for Appellee was under no obligation to do anything, and its failure to do something has not precluded it.

As we have pointed out, counsel for appellant wholly misstate the function of a praecipe and also seem to be labor-

ing under the impression that a præcipe can direct the clerk to incorporate in the transcript of the record something that is not of record, which they attempted to do, as we have pointed out in the case at bar.

Counsel say (page 23):

"The court refers to an apparent duplication of four printed patents in the record. The trouble is that these patents, although handed to the Master as evidence after witnesses had been examined concerning them, were not by him in any way marked. They were filed physically with his report. The printer feared to include them within his printed transcript (which was printed before it was certified) and merely annexed them at the end of Vol. IX [fol. 5115] after the Clerk's certificate. They therefore form no part of the record. When the transcript was returned they were properly certified by Judge Fitzhenry's express direction and therefore form part of Vol. X of the record being before the clerk's second certificate."

It will be difficult to find a more confused statement than this.

In the first place, while the rule is absolute that it is the duty of the Master, when he returns the testimony taken by him by order of the court, to identify and certify it, yet counsel confessedly have sought to file in this cause exhibits that bear no identification or certification of the Master and were never marked by him in any way as exhibits or otherwise. This is fatal. The District Court had no power to determine, in the place and stead of the Master, what evidence was taken before the Master and what exhibits were introduced and considered by him, nor to identify and certify the same in the Master's stead.

In the second place, the District Judge did not identify or certify these exhibits by his certificate and his signature after them, nor were the exhibits filed even in the office of the District Court or in this court with any such identification and certification of the District Court thereto. All that there is is simply an entirely separate and distinct order and a certified copy of the same filed in this court, followed by certain alleged exhibits and the Clerk's certificate at the end. Under no rule of procedure in any court is such a thing as this permissible, or does it amount to anything in the way of certification.

We respectfully submit that the petition for rehearing and the motions to vacate the order of affirmance and to direct condensation of the record should be denied.

Respectfully submitted, Alexander F. Reichmann, Frank L. Belknap, Walter M. Allen, Solicitors for Appellee.

[fol 5116] IN THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT

No. 5314

BARBER ASPHALT PAVING COMPANY, a Corporation, Appellant,

vs.

STANDARD ASPHALT & RUBBER COMPANY, a Corporation, Appellee

APPENDIX

Appellee's Exhibits Introduced Re Title and Infringement, and Brought Up

Page in Record	No.	Name	Recorded
53	1	Culmer Process Patent 635,429	1547
53	2	Culmer Product Patent 635,430	1554
53	3	Certified Copy, File Wrapper Culmer Process Patent 635,429	1429
53	4	Certified Copy, File Wrapper Culmer Patent 635,430	1457
53	5	Certified Copy, Papers Relating to Title	1223
53	6	Stipulation as to waiving formal proof, and as to records	1213
207	10	List of Railroads using Sarco	1472
208	11	List of Cities using Sarco	1474
209	12	List of Rubber Companies using mineral rubber	1477
1115	26	Assignment of G. C. K. Culmer to Standard Asphalt	1249
1115	27	Certified copy transcript of Record in Green v. American Hydrocarbon Co. and G. Culmer; and also Culmer v. Green and American Hydrocarbon Co.	1251
1115	28	Certified copy of transcript of record in Guardian Trust Co. and Bird Syndicate v. George Culmer	1383
		Total	12

[fol 5117] Appellee's Exhibits Introduced Re Title and Infringement, and Not Brought Up

Page in Record	No.	Name
126	1 of July 1, 1915	Certified copy of deposition of Forrest in Byerley v. Barber, to be attached to the deposition in the present case.
128	B of July 1, 1915	(Given in response to question 35 in Byerley v. Barber.) To be attached to the deposition of Forrest
128	C of July 1, 1915	(Given in response to Q. 60 in Byerley v. Barber.) To be attached to deposition of Forrest.

Page introduced	No.	Name
271	15-	Sarco stamps for drums.
327-9	15 (a to aiii)	50 exhibits of rubber products.
352	16	Box of Bubbs samples.
390	17 18 19 20	4 boxes of samples.
389	21	Bottle of residuum.
390	22	Can of gilsonite.
613	23 A S	Boxes, bottles and packages of Gilsonite (Culmer).
1175-78		Samples of Byerlyte (Fuller) known as Malory Samples from American Suit.
		Total 14

[fol. 5118] Appellant's Exhibits Introduced Re Title and Infringement

Brought Up on Appeal

Page introduced	No.		Name	Recorded
74		1	Diagram and description Appellee's converter	1479
497		2	Byerley Thesis	1481
497		3	Mayberry Article	1505
500	(547)	4	Pamphlet "Byerlyte, Its Description and Uses"	509 & 1513
622		10	Cummings Patent 528,291	1508
497-8		15	Byerlyte Co. Incorporation papers.	
505	(1004)		Assyrian Asphalt Co. correspondence with East Jersey Pipe Co. (J. A. Nelson)	1514
			1. Letter, Jan. 18, 1895, A. R. McHenry, Jr., to E. Jersey Pipe Works	1521
			2. Jan. 4 1895, A. R. McHenry, Jr., to McKee & Milson	1521
			3. Letter, Jan. 16, 1895, A. R. McHenry, Jr., to E. Jersey Pipe Works	1521
			4. Copy letter Jan. 29, 1895, E. Jersey Pipe Works to Assyrian Asphalt Co.	1522
			5. Letter Feb. 1, 1895, Assyrian Asphalt Co. to E. Jersey Pipe Works	1522
			6. Letter, Feb. 17, 1895, A. R. McHenry, Jr., to E. Jersey Pipe Works	1523
			7. Letter press copy letter Feb. 18, 1895, E. Jersey Pipe Works to A. R. McHenry, Jr.	1523
			8. Letter, Mr. 10, 1895, A. R. McHenry, Jr., to E. Jersey Pipe Works	1524
			9. Letter press copy letter Mar. 11, 1895, E. Jersey Pipe Works to A. R. McHenry, Jr.	1524
			10. Letter, Mar. 24, 1895, William Sloan to Milson	1525
			11. Letter, Mar. 26, 1895, Assyrian Asphalt Co. to A. R. McHenry, Jr.	1525
			12. Letter, Apr. 14, 1895, A. R. McHenry, Jr., to E. Jersey Pipe Works	1526
			13. Letter, Apr. 22, 1895, Assyrian Asphalt Co. to Milson	1527
[fol. 5119]			14. Letter, Apr. 27, 1895, Assyrian Asphalt Co. to E. Jersey Pipe Works	1527
			15. Letter, May 5, 1895, A. R. McHenry, Jr., to E. Jersey Pipe Works	1528

Page introduced	No.	Name	Recorded
		16. Letter, May 14, 1886, A. B. McHenry, Jr., to E. Jersey Pipe Works	1528
1004		Assyrian Company Bankruptcy	1529
1086		Culmer British Patent, 11087 of 1889	1571
1110		Forrest Analysis Cleveland and Madison samples	1211
1110		Analysis Michigan Central samples	1212
1110		Résumé of analysis of Mr. Forrest	1210
		Total	12

Appellant's Exhibits Introduced Re Title and Infringement

Not Brought Up on Appeal

Page introduced	No.	Name
545 (551)	5	McLaughlin's Scrap Book (Samples of work).
563 (571)	6	Michigan Cent. R. R. sample Rice Creek Bridge West Bound Track.
564 (571)	7	Michigan Cent. R. R. Sample Rice Creek Bridge East Bound Track.
566 (572)	8	Michigan Central R. R. sample Little Calumet Bridge.
569 (572)	9	Michigan Cent. R. R. sample 2 Corymbo bridge.
638	11	Bills of Cummings Co. to Edison Ill. Co.
640 (643)	12	Stone's Note Book (re Byerlyte).
695	13	Briordy Book (re Byerlyte).
710		Poore's sample Torsion Proof Roofing.
738		Paste samples of Byerlyte.
853	16	Photograph Byerley Still.
853	17	Photograph Byerley Still.
840		Byerley Products (12).
869	H B	Hydrolene B-4 samples from Byerley v. Sun.
972	18	Samples of Byerlyte produced by F. A. Byerley.
972		Seven record books of Byerley, including four still books, one sales book and two journals.

[fol. 5129]

993	*	Assyrian Asphalt Company Book (Physical Ex.)
1074		Samples of Byerlyte from 28 gravity oil.
1076		Samples of Byerlyte from 28 and 17 gravity oil.
1040		Seven vials of materials obtained by Mr. Forrest from Michigan Cent. samples.
1040		Six cans samples of material produced at Cleveland plant with 17 gravity oil.
1042		Progressive samples from Cleveland product, from 28 gravity tar.
1047		All samples produced by Forrest, including card, etc.
1081		Government Pamphlet, Production of Petroleum.
1081		Pennyman Chart of oil production.
1110 (see also 897)		Byerley v. Sun record.
1110		Byerley v. Standard Asphalt Record.
1110		Byerley v. Barber Asphalt Record.
1110		Standard Asphalt v. Byerley Record.
		Total	29

The following were, on September 30, 1926, attempted to be brought up to the Court certified only by a Certificate of the Clerk of the court below:

Appellant's Exhibit 6, Michigan Cent. R. R. sample
" " 7, " " " " "
" " 8, " " " " "
" " 9, " " " " "
Foote, Samples (Two) boxes; Byerlite 18 and 22.

Appellant's Exhibit Progressive Samples of Cleveland Product from 28 gravity tar.

Uncertified printed copy of record of Byerley v. Sun Company; also of Byerley v. Barber Asphalt Company; and also of Standard Asphalt & Rubber Company v. American Asphaltum & Rubber Company.

[fol. 3121] Appellee's Exhibits Introduced Re Accounting and Brought Up

Page introduced	No.	Name		Recorded
1771	D	Sheets 1 and 2, Statement of Income & costs of Manufacture, separating Maurer and Madison		4776-7
1774	E (1)	Roofing shipped at Maurer not through Sales Dept.	No originals are printed but marked copies by Forrest are at	4778 to 4797
1775	F	Sheets 1 and 2 Miscellaneous compounds sold other than through Sales Department.		
1775	G	Sheets 1 and 2 Miscellaneous compounds sold at Maurer through Sales Department.		
1775	H	Sheets 1 and 2 all Maurer Products sold through Sales Department		
1776	I	Sheets 1 and 2 Roofing Sold at Madison through Sales Dept.		
1776	J	Miscellaneous compounds at Madison, sold through Sales Department		
1777	K (a)	Madison Miscellaneous not through Sales Department.		
	(b)	Madison Roofing products shipped		
	(c)	Sales of roofing not through Sales Dept.		
1777	L	Sheets 1 and 2, Total business of Sales Dept.		4798
2316	E	Marked copy by Forrest		4778
2316	F	Marked copy by Forrest		4780
2316	G	Marked copy by Forrest		4782
2316	H	Marked copy by Forrest. Sheet 1 not marked		4790

[fol. 3122]

2486	H	Sheet 8, marked copy by Forrest	These were not introduced in evidence but were evidently meant to be as were the rest of the set	4790
2486	I	Marked copy by Forrest		4792
2486	J	Marked copy by Forrest		4796
2486	K	Marked copy by Forrest		4797
2487		Supplement to Ex. E to K. Sheets 1 to 6, being data of Chambers, completed by Forrest		4801-6

Page introduced	No.	Name	Recorded
2539	(2988)	O'Neill's Book of Advertising, photographic copy	4740
2584		Plaintiff's tabulations (Kirschbraum) from Pass Book No. 1,250 Road	2593
2584		Plaintiff's (Kirschbraum's) tabulations from Pass Book Road Asphalt 250-251 compound	2594
2711	E	Profit on Road Asphalt made in Fire Stills	4730
2713	A	And Schedules 1 to 21	4689 4691 4692 4731
2713	B		
2713	C		
2714	F		
2736		Kirschbraum's tabulation from Book 2, Sheets 1 to 4	2764
2737		Kirschbraum's tabulation Mex Flux	2768
2738		Kirschbraum's tabulation, 44A flux	2767
3529		Blank form of asphalt contract (Barber Co. and customer)	4741
4352	13A	Chambers Rebuttal Schedule	4869
4365	22	Chambers Rebuttal Schedule	4870
4369	24	Chambers Rebuttal Schedule	4871
4458	13B	Chambers Rebuttal Schedule	4869
		Total	34

[fol. 5123] Appellee's Exhibits Introduced Re Accounting and Not Brought Up

Page introduced	No.	Name
1708-9-10		Barber Forms, A to FFFFF (124 forms)
1735		Darrow letter March 20, 1917, TRP
1750		Fowler letter Apr. 5, 1917, TRP
1748		Bettlin's notes T. R. P.
1780	M	Sheets 1 to 6, Blown products at Maurer
1781	N	Sheets 1 to 14, Trial balances
1921	N	Sheets 1 and 2 (Powers) Miscellaneous asphalt and compounds
1926	O	Specifications as to mastic
1927	P	Specifications as to Barber special Trinidad asphalt roof
1927	Q	Specification Vulcanite Asphalt Mastic
1927	R	Book (Powers) of articles sold (Sales book)
2000	R	Sketch by Robinson as to fire at Madison
2300 1 Jan. 16, 1918		Formula book—Old book
2300 2 Jan. 16, 1918		Formula book—1907-1912
2300 3 Jan. 16, 1918		Formula book—1912-1915
2300 4 Jan. 16, 1918		Formula book—1915-1918
2300 5 Jan. 16, 1918		Formula book—Inactives from Ex. 4
2316		Book No. 1, Jan. 18, 1918, Formula book, old
2318		Book No. 1A, Jan. 18, 1918, Still earlier Formula Book
2318		Old laboratory index book from Maurer
2350		Daily Record of Materials used
2404		Pass Books of Hinkle (for identification) Still books 101-107-141-235-27A20
2422-2450		Laboratory Daily Reports
2482-2000 III		Balances of Barber Co. for identification
2529		Still books 1 to 11—Steam stills
2529		Still books 12 to 16—Fire stills
2539		4 Pamphlets showing advertising
2552		Blue prints of Maurer plant.

[fol. 5124]

Page introduced	No.	Name
2573		Plaintiff's tabulation still runs and penetrations (Chambers).
2594		Copy Pass Book 1 250 Road compound Feb 1914
2594		Copy Pass Book Road Asphalt 250 251 compound
2605		8 Books Barber Annual Reports to Stockholders covering years ending April 30, 1910 to 1917, inclusive.
2607		Form of Still Record of Oct. 1, 1916, found by Darrow.
2680 (2482)	III	Estimate of Earnings of Barber Co.
2701, 2739		Unnis Exhibit Tabulation Still Runs and Penetrations original.
2707	D	Maurer Plant Profits, Feb. 1, to Oct. 24, 1916.
2772		Kirschbraun's Notes on Charges and Penetrations.
2800		Letter—Chambers to Paul
2801		Letter—Paul to Chambers.
2801		Letter—Warren to Paul, forwarded to Chambers.
2806		Warren letter, Aug. 29, 1917.
2807		Letter—Chambers to Warren, Aug. 29, 1917.
3510		Detroit Contract re sale of Bermudez Asphalt
3898		Book of production records 1911
4019		Forrest set No. 2 list of formulæ
4023		Forrest note book
4110		Seven specifications of New York State Roads.
4501	IV	Blue print of Maurer plant, already marked and probably the same one as at p. 2582.
		Total 48

[fol. 5125] Appellants' Exhibits Introduced Re Accounting and Brought Up

Page introduced	No.	Name	Recorded
1581	A	Dietlin's Accounting Schedule	1584
1581	B	Dietlin's Accounting Schedule	1587
1581	C	Dietlin's Accounting Schedule	1594
2717	E to H	These were originally introduced by Mr Belknap at page 2340 but Mr Paul offers them at this point. Substituted copies are used	4778
2982		Chamber's cross-examination No. 1	4758
3067		List of Genesee products sold from Maurer (about 100)	9830
3068		List of Genesee products sold from Madison	9834
3070		List of larger Chicago Gilsonite sales	4808
3081		Allison's Calculations Bermudez Road Asphalt	3960
4017	S	Dietlin's Account	4809
4017	T	Dietlin's Account	4851
4017 Supp.	S	Dietlin's Account	4859
4019	U	Dietlin's Account	4865
4458		Dietlin's computation of percentage of Genesee reading containing Trinidad	4872
		Total 14	

[fol. 5126] Appellants' Exhibits Introduced Re Accounting and Not Brought Up

Page introduced	No.	Name	
3082		Genasco Trade Mark Registration.	
3083		Sheet of Genasco one ply roofing.	
3088		List of Genasco products sold from Madison.	
3078, 3087		Genasco labels, etc.	
3070	(a)	Pamphlet roof specifications.	
3070	(b)	Label-redmargin Genasco Roofing Coating.	
3070	(c)	Buff label, Genasco Stone surface ready roofing.	
3071	(d)	Light blue label, Genasco Model Ready Roofing.	
3071	(e)	Genasco White Stone roofing, red label.	
3073	(f)	Light green label, Genasco Positive Seal fabric.	
3075	(g)	Genasco Positive Seal felt.	
3076	(h)	Brown cover, Genasco Insulite.	
3077	(i)	Light green large label, Genasco perfected gravel roofing.	
3077	(j)	Genasco sanded ready roofing A (label).	
3077	(k)	Genasco sanded ready roofing B (label).	
3078	(l)	White label, black margin, Trinidad Lake Asphalt Roofing Felt. The exhibit evidently contains more than these.	
3144		Genasco Roofing, private brand labels (12).	
	(a)	Kant Leak Kleet	Powers.
	(b)	Trinidad Lake Asphalt	
3148	(c)	Cupex, Extra Superior Roofing, Un. Hardware Co.	O'Neill
	(d)	Flintoid Roofing, Devin & Wing Co.	
	(e)	Atco Roofing, Atl. Hardware Co.	
	(f)	Quality Roofing, Carpenter-Newton Co.	
	(g)	Crusader Roofing, Belknap Co.	
	(h)	Jaccuite, J. A. Crutchfield Co.	
	(i)	Quapaw, Chas. F. Abeles & Co.	
	(j)	Pine Tree, Talbot, Brooks and Eyre.	
	(k)	Paragon, Paragon Plaster Co.	
	(l)	Wilsons, W. A. Wilson & Sons.	

[fol. 5127]

3486		Blue print, Balfour map, 1913 plan Maurer factory.
3486-6		Balfour photograph of steam still.
3760		Refinery sheets of still reports.
3730		Nutt's blue print of steam stills.
3730 (3548)		Nutt's calculations as to capacity of steam stills.
3904 (4164)		Miller's printed matter—2 pamphlets, 2 specifications on Bermudez Road Asphalt.
3920		Allison Saturation Calculation.
3963		Allison Calculation Road Asphalt 1914.
3969		Allison Calculation Block A C.
3969		Allison Calculation Road Asphalt 1913.
4015		Forrest No. 1 (Formula Book). (Identified only, but to be produced before any tribunal.) (A few formulæ are printed at 4752 to 4763 and 4767 to 4771.)
4015		Forrest No. 2 (Formula Book). (Identified only, but to be produced before any tribunal.) (A few formulæ are printed at 4752 to 4763 and 4767 to 4771.)
4015		Forrest No. 3 (Formula Book).

Page in typewrit	No.	Name
		(Identified only but to be produced before any tribunal.) (A few formulæ are printed at 4752 to 4763 and 4767 to 4771.)
4086		Blue Print, N. Y. State Tests Asphalt, 1909
4102		New York State Tests, 1910-1914—five sheets
4124		New Jersey 1915 Tests of Barber Bermudez A C., 2 sheets.
4125		New Jersey 1915 Tests of Barber Bermudez A C 3rd sheet.
4145		Roll of sheets of tabulations of Forrest, showing materials entering into tests upon Block A. C. from 1909 to 1911, 1916.
4171		Bundle of Forrest Certificates of Analysis of Bermudez. One copied into records at 4172.
[folio 5128-5131]		
4173		Several yellow sheets—analysis of flux oil.
4186		Several sheets of tabulations.
4197		Forrest diagram 1, as to how saturations soaked into felt.
4199		Forrest diagram 2, enlargement of cross section, smooth surface roofing.
4229		Bettin Computation of Blown Products in Ex C. (Ident.)
4251		Statement of Sewall re Choctaw Lease.
4324		Figures resulting from Chamlers' Cross-examination, at Chicago, December 9, 1919.
4530		1 column of figures added to Bettin's Schedule H, Sheet 2.
4558		Choctaw lease, certified copy.

Total 33

[folio 5132 & 5133] IN UNITED STATES CIRCUIT COURT OF APPEALS

[Title omitted]

ORDER DENYING REHEARING AND DENYING MOTION TO STAY MANDATE AND VACATE AFFIRMANCE—January 24, 1927

It is ordered by the court that the petition for rehearing in this cause be and the same is hereby denied.

It is further ordered that the motion that the mandate in this cause be stayed, and the order of affirmance vacated, and an order made permitting the District Court for the Southern District of Illinois to now entertain procedure in accordance with Equity Rule 75b to bring about a statement of evidence in this cause in simple and narrative form; and that upon this court being advised that this has been done a writ of certiorari do issue to cause such simple and condensed statement to be certified to this court as a part of

the record on appeal to the end that the appeal may then be determined in accordance with the merits of the controversy, be and the same is hereby denied.

[fol. 5134] In United States Circuit Court of Appeals

[Title omitted]

Motion for Stay of Mandate.—Filed January 25, 1927

Now comes the appellant, the Barber Asphalt Paving Company, by its counsel and respectfully represents:

That it is prepared to perfect the records in this case, and to file its petition for writ of certiorari in the Supreme Court of the United States within the time allowed by law for said petition:

Wherefore the Appellant moves that the issuance of the mandate in this cause be stayed pending the filing of the aforesaid petition for a writ of certiorari in the Supreme Court of the United States until the 19th day of March, 1927, and that if said petition shall be filed in the Supreme Court of the United States on or before that day, the mandate be further held until the Supreme Court of the United States shall act upon the said petition for the writ of certiorari aforesaid.

The Barber Asphalt Paving Company, by Samuel E. Hibben, Counsel for Appellant.

Chicago, Illinois, January 24, 1927.

[File endorsement omitted.]

---

fol. 5135 In United States Circuit Court of Appeals

[Title omitted]

Order Staying Mandate.—January 25, 1927

On motion of counsel for appellant, it is ordered by the court that the mandate in this cause be, and the same is hereby stayed until the further order of this court.

[fol. 5136] In United States Circuit Court of Appeals

[Title omitted]

Notice of Motion for Order to Transmit Certain Exhibits —Filed February 23, 1927

To: Messrs. Judah, Willard, Wolf & Reichmann, Attorneys for Appellee, 134 South La Salle Street, Chicago, Illinois.

You are hereby notified that on Thursday, September 9, 1926, at ten o'clock A. M., we shall appear before the United States Circuit Court of Appeals, in the Chambers of his Honor, Judge Alschuler, in the Federal Building, and present a motion for an order directing the Clerk of the District Court for the Southern District of Illinois, Southern Division, to transmit to this Court certain exhibits introduced in evidence in this cause and specified in the motion paper, copy of which is attached hereto and herewith served upon you; at which time and place you may be present if you see fit.

Rector, Hibben, Davis & Macauley, Attorneys for Appellant.

Chicago, Illinois, September 8, 1926.

Receipt of copy of this notice and the motion paper referred to therein acknowledged September 8, 1926.

Judah, Willard, Wolf & Reichmann.

[fol. 5137] In United States Circuit Court of Appeals

[Title omitted]

Motion for Order to Transmit Certain Exhibits—Filed February 23, 1927

Now comes the appellant and moves the Court that an order be entered in this cause directing the Clerk of the District Court for the Southern District of Illinois, Southern Division, to transmit to this Court for the purpose of use at the argument on appeal, the following exhibits now on file:

Defendant's Exhibit 6.
Defendant's Exhibit 7.
Defendant's Exhibit 8.
Defendant's Exhibit 9.
Foote Samples (Two; boxes; Byerlite 18 and 22).
Defendant's Exhibit Progressive Samples of Cleveland Product from 28 Gravity Tar.
Uncertified printed copy of record of Byerly v. Sun Company; also of
Byerly v. Barber Asphalt Company; and also of
Standard Asphalt & Rubber Company v. American Asphaltum & Rubber Company.

Rector, Hibben, Davis & Macauley, Solicitors for Appellant.

[fol. 5138] In United States Circuit Court of Appeals

[Title omitted]

Order to Transmit Certain Exhibits—Filed February 23, 1927

It is hereby Ordered and directed that the Clerk of the District Court for the Southern District of Illinois, Southern Division, shall transmit to this Court the following exhibits introduced in evidence in the above-entitled cause, to-wit:

Defendant's Exhibit 6.
Defendant's Exhibit 7.
Defendant's Exhibit 8.
Defendant's Exhibit 9.
Foote Samples (Two; boxes; Byerlite 18 and 22).
Defendant's Exhibit Progressive Samples of Cleveland Product from 28 Gravity Tar.
Uncertified printed copy of record of Byerly v. Sun Company; also of
Byerly v. Barber Asphalt Company; and also of
Standard Asphalt & Rubber Company v. American Asphaltum & Rubber Company.

Saml. Alschuler, Judge.

[File endorsement omitted.]

[fol. 5139] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 5140] SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed April 18, 1927

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Seventh Circuit is granted. And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

April 18, 1927.

[fol. 5141] IN SUPREME COURT OF THE UNITED STATES

MOTION FOR ORDER AS TO PRINTING RECORD—Filed May 13, 1927

And Now, this 16th day of May, 1927, comes the Petitioner, Barber Asphalt Paving Company, and respectfully shows:

1. That by order made April 25, 1927, this Court, in advancing and assigning this case for argument, directed that no other question be heard than the action of the Court below in dismissing the Appeal because the Transcript of Record did not comply with Equity Rule 75; and that Counsel should govern themselves accordingly in respect to printing in this Court. Your Petitioner interprets this as meaning that this Court expects a Record to be printed containing only those parts of the entire Record necessary for the consideration of the single question to be argued.

2. Your Petitioner, on May 2, 1927, submitted to Counsel for Respondent, a designation (repeated below) of the parts of the Record which it considers necessary for the [fol. 5142] above purpose and requested Counsel for Respondent either to approve such designation or to designate such further parts as Respondent may consider necessary for the above purpose; but such approval or further designation has not been received.

3. Your Petitioner does not find anything in the Rules of this Honorable Court applying specifically to the situation thus presented.

4. Thirty (30) printed copies of the entire Record of the case, which is in ten volumes, have already been filed in this Court in connection with the Petition for a Writ of Certiorari which this Court has granted, but nearly all of this large Record is unnecessary to be considered in connection with the question which this Court has designated as the only one to be argued.

5. Your Petitioner believes that for the purpose of argument it will only be necessary for the Clerk to print and present to the Court the following portions of the Record:

	Printed record pages
1. Interlocutory Decree	1217 to 19
2. Final Decree	4676 to 77
3. Order Allowing Appeal	4684
4. Praecipe for Record	4873 to 75
5. Certificate of Clerk	4876
6. Order of Jan. 29, 1926, Remitting Transcript	4985 to 86
7. Order of Mar. 30, 1926	4913 to 15
8. Certificate of Clerk	4959
9. Entry of April 10, 1926	4987 (Top)
10. Entry of October 6, 1926	4991
11. Opinion	4992 to 98
12. Judgment	4999
[fol. 5143] 13. Petition for Rehearing, and Motion for Condensation including Entry of Dec. 31, 1926	4999-5045
14. Motion and Order of Jan. 4, 1927	5048
15. Order of Jan. 24, 1927, denying Petition and Motion	5132
16. Motion to Stay Mandate	5134
17. Order Staying Mandate	5135

Your Petitioner therefore moves this Honorable Court for an Order directing the Clerk to print only the parts thus above designated by your Petitioner and such further parts as the Respondent, within twenty (20) days, may designate in writing filed with the Clerk of this Court.

Respectfully submitted,

Henry N. Paul, Attorney for the Petitioner.

On behalf of Respondent, I hereby acknowledge receipt of a copy of the above Motion with notice that Petitioner expects to present the same at the opening of the Court on Monday, May 16th, or as soon thereafter as Counsel may be heard.

William F. Hall, Attorney for Respondent.

[fols. 5144 & 5145] [File endorsement omitted.]

[fol. 5146] In Supreme Court of the United States

Answer and Counter-Designation of Parts of Record to be Printed—Filed May 16, 1927

Without waiving any right it may have to urge before this court, and the Circuit Court of Appeals for the Seventh Circuit, that the appeal to the latter court was never perfected so as to give that court, or to this court, jurisdiction to review the final decree of the United States District Court for the Southern District of Illinois, Standard Asphalt and Rubber Company, the above named respondent, in answer to the motion of Barber Asphalt Paving Company, the above named petitioner, noticed for presentation on Monday, May 16, 1927, respectfully shows that respondent believes it will be necessary for the clerk to print and present to this court, in addition to the portions of the record designated in paragraph 5 of the aforesaid motion, other portions thereof as follows:

	Printed record pages
[fol. 5147] 1. Bill of Complaint	1 to 6 inclusive
2. Answer of Defendant	8 to 14 inclusive
3. Amendment to Defendant's Answer	15
4. Opinion of Judge Humphrey on the Issues of Validity, Infringement and Title	1216 to 1217 inclusive
5. Opinion of the District Court (Judge FitzHenry) confirming the Master's Report	4655 to 4676 inclusive
6. Sundry orders on motion of defendant extending time to file transcript	4877 to 4883 inclusive

	Printed record pages
7. Citation	4884
8. Clerk's Certificate	4961
9. Motion of Appellant to have separate hearings in the Court of Appeals on the Issues of Title, Validity and Infringement on on the one hand, and the Accounting Issues on the other	4965
10. Appellee's notice and motion to strike	4966 to 4968 inclusive
11. Appellee's objections to Appellant's motion	4969 to 4971 inclusive
12. Order reserving judgment on Appellee's motion	4972
13. Appellant's motion for order remitting transcript of record to District Court	4978 to 4981 inclusive
14. All of pages	4981 to 4984 inclusive
and also first paragraph of page	4985 which
ends with the figures "4885 to 4907"	
15. Entries of October 5 and 6, 1926	4988
16. Appellee's Suggestions for dismissal of appeal	4989 to 4991 inclusive
17. Two entries of October 6, 1926	4991
18. Entry of December 13, 1926	4991
19. Entries of January 12 and 18, 1927	5050
20. Appellee's Answer to Petition for Rehearing	5051 to 5128 inclusive
21. Entry of February 23, 1927	5135
22. All of pages	5136 to 5139 inclusive

[fol. 5148] Respondent therefore prays that this Honorable Court may direct the clerk to print, in addition to the portions of the record set forth in said motion, the portions thereof above enumerated.

Respectfully submitted.

A. F. Reichmann, Thomas G. Haight, F. L. Belknap, Counsel for Respondent. William F. Hall, Of Counsel for Respondent.

On behalf of petitioner, I hereby acknowledge receipt of a copy of the above answer to motion, with notice that the respondent expects to present the same at the opening of the court on Monday, May 16, 1927, or as soon thereafter as it can be heard.

—— ——, Counsel for Petitioner.

[fol. 5149] In the Supreme Court of the United States

Washington,
District of Columbia, ss:

I, William F. Hall, being duly sworn, depose and say that I am of counsel for the respondent in the above entitled case; that on the fourteenth day of May, 1927, I sent by registered mail to Henry N. Paul, 1815 Land Title Building, Philadelphia, Pennsylvania, and Charles L. Sturtevant, Washington Loan and Trust Building, Washington, D. C., who acted as Mr. Paul's associate in the service of the Motion filed in the above entitled case, copies of respondent's Answer to petitioner's Motion, copy of which answer is attached hereto.

Furthermore affiant sayeth not.

William F. Hall.

Signed and sworn to before me this fourteenth day of May, 1927.

[seal.] Ewd. L. Tolson, Notary Public.

[fol. 5150] [File endorsement omitted.]

[fol. 5151] Supreme Court of the United States

Order Granting Motions for Designated Record

Upon consideration of the motions of counsel designating portions of the record to be printed in this cause,

It is now here ordered by this Court that the said motions be, and they are hereby, granted, and the Clerk is directed to print the record in this case in accordance with the said designations.

Per Mr. Chief Justice Taft.

May 31, 1927.

Office Supreme Court, U. S.
FILED
MAR 12 1927
WM. R. STANSBURY
CLERK

IN THE

Supreme Court of the United States,

OCTOBER TERM, 1926.

No. 9[redacted] 194

BARBER ASPHALT PAVING COMPANY,
Petitioner,

against

STANDARD ASPHALT & RUBBER COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT, AND BRIEF IN SUPPORT THEREOF.

JOHN W. DAVIS,
CHARLES NEAVE,
SAMUEL E. HIBBEN,
HENRY N. PAUL,
Attorneys for Petitioner.

TABLE OF CONTENTS.

PAGE

Petition 1

Brief in Support 5

POINT I. The Circuit Court of Appeals has decided in this cause an important question of federal law which has not been, but should be settled by this Court 6

POINT II. The Circuit Court of Appeals erred in holding that no evidence was properly before it on this appeal, and that therefore the merits of the cause could not be considered, notwithstanding that there was before the said Court a statement of the evidence which the District Court has certified to be "true, complete and properly prepared" 9

POINT III. The said Circuit Court of Appeals has exceeded its powers by affirming the judgment against the petitioner in this cause without affording it an opportunity to conform to Equity Rule 75 as now interpreted by said Court 11

POINT IV. Assuming that the interpretation of Equity Rule 75 enounced in this cause is correct and that it is within the power of the Court to refuse to consider an appeal upon the merits because said rule as so enounced has not been complied with, the said Circuit Court of Appeals has failed in this cause to exercise a sound discretion in that it has refused to consider petitioner's appeal upon the merits and affirmed the judgment without affording it an opportunity to comply with said Rule 75 as now interpreted by it 14

(a) The practice in the Seventh Circuit prior to the decision in this case 14

(b) The history of this particular record 16

CONCLUSION 19

PAGE

APPENDIX A—Order of District Court approving statement of evidence 21

APPENDIX B—Opinion of Circuit Court of Appeals affirming decree 24

APPENDIX C—Opinion of Circuit Court of Appeals in *R. W. Clark Manufacturing Co.* v. *Tablet & Ticket Co.* 33

APPENDIX D—Dissenting Opinion of Alschuler, J., in *R. W. Clark Manufacturing Co.* v. *Tablet & Ticket Co.* 35

Table of Cases Cited.

PAGE

Bestwall Manufacturing Co. v. U. S. Gypsum Co. 15
Brietson Manufacturing Co. v. Close, 280 Fed. 297 ....8, 18
Buckeye Cotton Oil Co. v. Ragland, 11 Fed. (2nd) 231 .....7, 8, 18
Buessel v. United States, 258 Fed. 811 19
Carson v. Hurt, 250 Fed. 30 18
Clark, R. W. Manufacturing Co. v. Tablet & Ticket Co., 15, 17, 19, Appendices C & D
Coxe v. Peck-Williamson Heating & Ventilating Co., 208 Fed. 409 .....8, 13, 19
Fairbanks, Morse & Co. v. American Valve & Meter Co.. 15
Firestone Fire & Rubber Co. v. Eberling, 235 Fed. 891 8, 18
Garland v. Quinn, 242 Fed. 267 .....13, 18
General Equity Rule 75, *In re*, 222 Fed. 884 ....7, 10, 13, 18
Goodwin v. United States, 295 Fed. 856 18
Newton v. Consolidated Gas Co., 258 U. S. 165 .....13, 17
Patterson v. Mobile Gas Co., 271 U. S. 131 13
Clark, R. W. Manufacturing Co. v. Tablet & Ticket Co., 15, 17, 19, Appendices C & D
Roxana Petroleum Co. v. Rush, 295 Fed. 844 .....8, 18
Stennick v. Jones, 282 Fed. 161 8
Struett v. Hill, 269 Fed. 247 .....8, 10
Sussex Land & Improvement Co. v. Midwest Refining Co., 294 Fed. 597 10
United States v. Motion Picture Patent Co., 230 Fed. 541 .....7, 18
United States v. United States Steel Corporation, 240 U. S. 442 .....9, 13
Wade v. Leach, 2 Fed (2nd) 367 19
Westermann (L. A.) Co. v. Dispatch Printing Co., 233 Fed. 609 18
Wirebounds Co. v. Gibbons 15
Wong Keow v. United States, 215 Fed. 95 18

Statutes.

Judicial Code, §240, as amended by Act of Feb. 13, 1925 3
Id., §269, as amended by Act of Feb. 26, 1919 11

IN THE

Supreme Court of the United States,

OCTOBER TERM, 1926.

BARBER ASPHALT PAVING COMPANY, Petitioner, vs. STANDARD ASPHALT & RUBBER COMPANY, Respondent.	No.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

TO THE HONORABLE THE CHIEF JUSTICE AND THE ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

Barber Asphalt Paving Company respectfully prays for a writ of certiorari to review the decree of the United States Circuit Court of Appeals for the Seventh Circuit in the above entitled suit.

Statement of the Case.

Barber Asphalt Paving Company is a Corporation of the State of West Virginia, having its principal office in the City of Philadelphia, State of Pennsylvania.

The suit in which the decree sought to be reviewed was rendered was brought by the respondent against the petitioner in the District Court of the United States for the Southern

District of Illinois, for the infringement of United States Letters Patent Nos. 635,429 and 635,430. The said District Court (Judge Humphrey presiding) entered a decree finding infringement, ordering an accounting and appointing a Master (Record, pp. 1217-9). Judge Humphrey died before the accounting was concluded.

As the result of the accounting before the Master a final decree was entered by said Court (Judge Fitz Henry presiding) on April 30, 1924, awarding respondent the sum of $650,044.83 with interest from January 6, 1921 (Record, pp. 4676-7). Petitioner duly appealed to the Circuit Court of Appeals for the Seventh Circuit, which appeal was perfected July 5, 1924 (Record, p. 4685). The record on said appeal was, on the Petitioner's motion, returned to the said District Court for correction. On March 30, 1926, the said District Court entered an order directing "that all the testimony in this cause be reproduced in the exact words of the witness and not in narrative form"; and further ordering that the said statement of evidence as incorporated in the transcript of the record be "hereby approved as a true, complete and properly prepared statement of the evidence" (Record, pp. 4913-4915). A copy of said order is appended to the Brief herewith submitted as Appendix A.

Upon the record as so corrected and authenticated the said cause came on for argument on October 6, 1926, before the Honorable Evan A. Evans, George T. Page and Albert B. Anderson, and was fully argued upon the merits and taken under advisement by the Court.

On December 13, 1926, the said United States Circuit Court of Appeals for the Seventh Circuit handed down an opinion affirming the decree below upon the sole grounds that there had been a failure to comply with Equity Rule No. 75 (b) in that the evidence included in the Record had not been stated in narrative form, but had been set forth in full, and that the District Judge had no power to make the order of March 30, 1926, referred to above, directing that such evidence should

be reproduced in the words of the witnesses and not in narrative form (Record, p. 4992; Appendix A, p. 23, *infra*).

Petitioner thereupon (December 31, 1926, Record, p. 4999) moved for a re-hearing, and also specifically moved for an opportunity to amend the record in accordance with the Court's interpretation of the rule as announced in its said opinion. Said motions were denied January 24, 1927 (Record, p. 5132).

This writ is sought to review the decision and order of the Circuit Court of Appeals.

Contemporaneously with the submission of this petition, a motion is being made in this Court for leave to file a petition for an order to show cause why a writ of mandamus should not issue to compel the judges of said Circuit Court of Appeals to consider the cause on the merits, or in the alternative, to make an order directing the District Court to entertain procedure in accordance with Rule 75 (b) to prepare a record amended in accordance with the requirements of that Rule as now interpreted by said Circuit Court of Appeals.

The opinion of the said Circuit Court of Appeals affirming the judgment of the District Court has not yet been reported, but appears in the Record (p. 4992), and is also, for convenience, printed as Appendix B to the brief herewith submitted.

Jurisdiction of the Court.

This application is made under Section 240 of the Judicial Code, as amended by the Act of February 13, 1925 (43 Stat. 938).

Reasons for Application for the Writ and Questions Presented.

I. An important question of Federal Law has been decided by the Circuit Court of Appeals which has not been, but should be, settled by this Court.

II. Was the Circuit Court of Appeals right in holding that no evidence was properly before it on this appeal, and that therefore the merits of the cause could not be considered, notwithstanding that there was before the said Court a statement of the evidence which the District Court has certified to be "true, complete and properly prepared"?

III. Did the Circuit Court of Appeals exceed its power in affirming the judgment and refusing to consider your petitioner's appeal upon the merits without affording it an opportunity to comply with the provisions of said Rule 75 (b) as now interpreted by said Court?

IV. Assuming that the interpretation of Rule 75 now enounced by the Circuit Court of Appeals is correct and that it has the power to refuse to consider petitioner's appeal on the merits because said rule as so enounced has not been complied with, did the said Court fail to exercise a sound discretion in affirming the judgment in this cause without considering the merits and without affording the petitioner an opportunity to comply with said rule as now interpreted by it?

WHEREFORE, your petitioner respectfully prays that a writ of certiorari issue to the United States Circuit Court of Appeals for the Seventh Circuit, and submits its brief hereto attached in support of this petition.

Respectfully submitted,

JOHN W. DAVIS,
CHARLES NEAVE,
SAMUEL E. HIBBEN,
HENRY N. PAUL,
Attorneys for the Petitioner.

IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1926.

BARBER ASPHALT PAVING COMPANY, Petitioner, against STANDARD ASPHALT & RUBBER COMPANY, Respondent.	No.

BRIEF IN SUPPORT.

POINT I.

THE CIRCUIT COURT OF APPEALS HAS DECIDED IN THIS CAUSE AN IMPORTANT QUESTION OF FEDERAL LAW WHICH HAS NOT BEEN, BUT SHOULD BE, SETTLED BY THIS COURT.

POINT II.

THE CIRCUIT COURT OF APPEALS ERRED IN HOLDING THAT NO EVIDENCE WAS PROPERLY BEFORE IT ON THIS APPEAL, AND THAT THEREFORE THE MERITS OF THE CAUSE COULD NOT BE CONSIDERED, NOTWITHSTANDING THAT THERE WAS BEFORE THE SAID COURT A STATEMENT OF THE EVIDENCE WHICH THE DISTRICT COURT HAS CERTIFIED TO BE "TRUE, COMPLETE AND PROPERLY PREPARED."

POINT III.

THE SAID CIRCUIT COURT OF APPEALS HAS EXCEEDED ITS POWERS BY AFFIRMING THE JUDGMENT AGAINST THE PETITIONER IN THIS CAUSE WITHOUT AFFORDING IT AN OPPORTUNITY TO CONFORM TO EQUITY RULE 75 AS NOW INTERPRETED BY SAID COURT.

POINT IV.

ASSUMING THAT THE INTERPRETATION OF EQUITY RULE 75 ENOUNCED IN THIS CAUSE IS CORRECT AND THAT IT IS WITHIN THE POWER OF THE COURT TO REFUSE TO CONSIDER AN APPEAL UPON THE MERITS BECAUSE SAID RULE AS SO ENOUNCED HAS NOT BEEN COMPLIED WITH, THE SAID CIRCUIT COURT OF APEALS HAS FAILED IN THIS CAUSE TO EXERCISE A SOUND DISCRETION IN THAT IT HAS REFUSED TO CONSIDER PETITIONER'S APPEAL UPON THE MERITS AND AFFIRMED THE JUDGMENT WITHOUT AFFORDING IT AN OPPORTUNITY TO COMPLY WITH SAID RULE 75 AS NOW INTERPRETED BY IT.

(a) The practice in the Seventh Circuit prior to the decision in this case.

(b) The history of this particular record.

POINT I.

The Circuit Court of Appeals in this cause has decided an important question of federal law which has not been, but should be, settled by this Court.

The decision of the Circuit Court of Appeals which this Court is asked to review as shown by its opinion (Rec., p. 4992; Appendix B) rests solely upon the grounds that the testimony of the witnesses was not reduced to narrative form, but was set forth in full in violation of Equity Rule 75, and that the Judge who made the order of March 30th, 1926 (Rec., pp. 4913-15) directing that such testimony "be reproduced in the exact words of the witnesses and not in narrative form", and that such statement of evidence be "hereby approved as a true, complete and proper statement of the evidence", had no power to make any such order.

It is, of course, conceded that the Equity Rules made by this Court are so made under statutory authority and have

the force of statutes; and that the Circuit Courts of Appeals and District Courts have no power to dispense with them.

But it must be well known to this Court that Equity Rules 75 and 76 have received very diverse constructions, or have at least been very differently applied in the several Circuits.

Such variances of construction or application are doubtless due in large part at least to the individual preferences of the Judges constituting the different Circuit Courts of Appeals. In some Circuits the reduction of the testimony to narrative form, as required by Rule 75(b) is popular with the Judges composing the Court, and those Courts have announced their preference in no uncertain manner.

> Sixth Circuit C. A., *In re General Equity Rule* 75, 222 Fed. 884;
>
> Fifth Circuit C. A., *Buckeye Cotton Oil Co.* v. *Ragland*, 11 Fed. (2nd), 231.

In other Circuits, on the contrary, the Judges of the Circuit Court of Appeals prefer to have before them the full testimony of the witnesses by question and answer in the sincere belief that this method of presentation gives them the better impression of what the evidence really is, and facilitates them in reaching a correct decision. (*United States* v. *Motion Picture Patent Co.* (D. C., E. D. Penna. 1916) 230 Fed. 541, 542.) They have, therefore, exercised wide latitude in construction of the Rule, and have interpreted the provision of (b) of Rule 75 "that if either party desires it, and the court or Judge so directs, *any part* of the testimony shall be reproduced in the exact words of the witness" (Italics ours), to authorize the *entire* testimony to be so reproduced. This has been for years, and still is the practice in the Third Circuit. (Affidavit of Henry N. Paul, Record, p. 5038).

We expect to show under Point IV that the same practice was common and usual, especially in patent cases, in the

Seventh Circuit, up to the very instant of the decision which this Court is now asked to review.

Still other Circuit Courts of Appeals, while emphasizing the binding effect of the Rule upon them, and the importance of its observance, have exercised great liberality in accepting records which they considered did not fully comply with it, or have permitted the appellant to go back to the District Court and have the statement of evidence resettled, or stated that they would have done so had it been necessary.

Fifth Circuit, *Coxe* v. *Peck-Williamson Heating & Ventilating Co.*, 208 Fed. 409;
Roxana Petroleum Co. v. *Rush*, 295 Fed. 844;
Buckeye Cotton Oil Co. v. *Ragland*, 11 Fed. (2nd) 231;
Sixth Circuit, *Firestone Tire & Rubber Co.* v. *Eberling*, 235 Fed. 891;
Eighth Circuit, *Brictson Mfg. Co.* v. *Clone*, 280 Fed. 297;
Ninth Circuit, *Struett* v. *Hill*, 269 Fed. 247;
Stennick v. *Jones*, 282 Fed. 161.

The language of the Rule furnishes no guide as to how much or how little of the testimony may be reproduced by question and answer if either party desires it, and the Court or Judge so directs. This, therefore, is a matter that must necessarily be left to the discretion of the authority who approves the statement of evidence, which authority under the Rule is the Court from which the Appeal is prosecuted or a Judge thereof. This is necessarily a matter calling for the exercise of common sense and in respect of which no hard and fast rules can be laid down. We may be permitted to suggest that this Court has itself expressly recognized that the provision of the Rule requiring the reduction of the evidence or the bulk of it to narrative form is not inexorable, but that the Rule must receive a reasonable interpretation and that there may be exceptions to it.

United States vs. *United States Steel Corp.*, 240 U. S. 442.

In the case cited this Court recognized that Equity Rule 75 was not appropriate, and approved the filing of a Record containing the whole testimony in its original shape.

The decision of the Circuit Court of Appeals in this case raises squarely the question whether the provision of Equity Rule 75 permitting "any part" of the testimony to be reproduced in the record in question and answer form "if the Court or Judge so directs" authorizes the entire testimony to be so reproduced if that seems to the court or judge the best manner of presenting it to the appellate court in the particular case. This, it is submitted, is a question of far reaching importance which should be definitely settled by this Court.

POINT II.

The Circuit Court of Appeals erred in holding that no evidence was properly before it on this appeal, and that therefore the merits of the cause could not be considered, notwithstanding that there was before the said Court a statement of the evidence which the District Court has certified to be "true, complete and properly prepared."

Equity Rule 75 places upon the *District* Court or Judge the full responsibility of deciding what the statement of evidence to be incorporated in the record on appeal shall contain. The last sentence of subdivision (b) of the Rule directs that when such statement has been approved by the District Court or Judge "it shall be filed in the Clerk's office and *become a part of the record for the purposes of the appeal.*" (Italics ours). When the District Court or Judge

has certified a statement of evidence as "true, complete and properly prepared," and such statement has been filed in the Clerk's office as prescribed, the Circuit Court of Appeals can not take the position that no evidence is before it. If it is of opinion that the evidence is too much or too little condensed, it has the power to direct the District Court as to how it desires the record made up. Such procedure is analogous to the ordering of a new trial when erroneous rulings, prejudicial to the appellant, have been made by the trial judge. But it cannot treat the certificate of the District Court or Judge as a nullity and refuse to consider the appeal on the merits because *no* evidence is presented by the record.

Rule 76 supports this position. It expressly declares that: "If, in the transcript, *anything material to either party be omitted by accident or error*, the appellate court, on a proper suggestion or its own motion, may direct that the omission be corrected by a supplemental transcript." (Italics ours).

It will be seen that it is not necessary for the appellate court to send back the entire record for the purpose of curing what it considers defects therein. The certificate of evidence is only *part* of the record, and the omission of what the appellate court considers a *proper* certificate can be amended by a supplemental transcript. This can be done at any time, since the District Court does not lose its power to settle the evidence in equity causes because a term has expired, or an appeal been perfected.

In re General Equity Rule 75, 222 Fed. 884;
Struett v. *Hill*, 269 Fed. 247;
Sussex Land & Live Stock Co. v. *Midwest Refining Co.*, 294 Fed. 597.

It is respectfully urged that the second paragraph of Rule 76 was intended to provide for exactly such a situation as the Circuit Court of Appeals considered was before it in this case, and that it should have directed correction of the

record by supplemental transcript, instead of totally disregarding the certificate of the District Judge, and affirming the judgment because, as it held, the evidence was not properly before it.

Furthermore, petitioner maintains that the action of the Circuit Court of Appeals in affirming the judgment without considering the record as before it, or directing its correction, was in violation of Section 269 of the Judicial Code as amended by Act of February 26, 1919, enacted since the adoption of Rule 75. This aspect of the case will be discussed under Point III following.

POINT III.

The said Circuit Court of Appeals has exceeded its powers by affirming the judgment against the petitioner in this cause without affording it an opportunity to conform to Equity Rule 75 as now interpreted by said Court.

By Act approved February 26, 1919, 40 Stat. 1181, the Congress amended Section 269 of the Judiciary Code to read as follows:

> "Section 269. All of the said courts shall have power to grant new trials, in cases where there has been a trial by jury, for reasons for which new trials have usually been granted in the courts of law. **On the hearing of any appeal, certiorari, writ of error, or motion for a new trial, in any case, civil or criminal, the court shall give judgment after an examination of the entire record before the court, without regard to technical errors, defects, or exceptions which do not affect the substantial rights of the parties.**"

The amendment consists of the addition of the second sentence, which is entirely new legislation.

It is contended by petitioner that the action of the Circuit Court of Appeals in this case was a violation not only of the spirit, but of the letter, of this enactment.

If the certificate of evidence before the Court was not in proper form, that irregularity was clearly a "technical defect," "not affecting the substantial rights of the parties." It was clearly the duty of the Court under the Statute either to disregard this defect, or to exercise its power to have it corrected by the District Court. The Court admits its refusal to consider the evidence, although no question raised by the errors assigned could be determined without such consideration (Rec., p. 4998). The *substantial* rights of the parties necessarily depended upon the consideration and decision of the assignments of error. The provision of the amendment that cases shall be considered without regard to technical defects is as mandatory as legislation can be—the court has no discretion whatever in the matter. The affirmance of the judgment upon the purely technical ground that a rule of procedure had not been complied with, especially when compliance might so readily have been obtained, was a denial of a substantial right of petitioner's, a palpable violation of the legislative intent, and reversible error.

Furthermore, the Court exceeded its jurisdiction by punishing petitioner's supposed failure to comply with Equity Rule 75 by affirmance of the judgment upon that ground. This court has itself, in Rule 76, prescribed the penalty for violation of Rule 75, and the Circuit Court of Appeals cannot vary this penalty, especially by imposing a far more severe one.

Rule 76 provides that

> "for any infraction of this or *any kindred rule*" (Italics ours).

costs may be imposed upon offending solicitors as well as parties. It says nothing about affirmance of judgments, dismissal of appeals, or any other such drastic punishment.

None of the Equity Rules are more "kindred" one to another than numbers 75 and 76.

In re General Equity Rule 75, 222 Fed. 884, 886.

The Court was therefore limited, if it conceived that there had been such an infraction of Equity Rule 75 as called for the punishment of someone, to the penalty prescribed in Rule 76. This Court, of course, has power to waive or modify its own rules (*United States* v. *United States Steel Corporation*, 240 U. S. 442; *Patterson* v. *Mobile Gas Co.*, 271 U. S. 131), but no such power is vested in the Circuit Court of Appeals. While this Court has suggested that it might dismiss an appeal for infraction of Rules 75 and 76 (*Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, 173), no decision has been found where it has even intimated that such destructive power can be exercised by the lower courts.

That the imposition of costs under Rule 76 is the appropriate, if not the only penalty for infraction of Rule 75 is indicated in the following decisions:

Coxe v. *Peck-Williamson Heating & Ventilating Co.*, 208 Fed. 409.

Garland v. *Quinn*, 242 Fed. 267.

POINT IV.

Assuming that the interpretation of Equity Rule 75 enounced in this cause is correct, and that it is within the power of the Court to refuse to consider an appeal upon the merits because said rule as so enounced has not been complied with, the said Circuit Court of Appeals has failed in this cause to exercise a sound discretion in that it has refused to consider petitioner's appeal upon the merits, and has affirmed the judgment, without affording an opportunity to comply with said rule as now interpreted and enforced by it.

This will appear upon consideration of—

(a) *The practice in the Seventh Circuit prior to the decision in this case;*

(b) *The history of this particular record.*

(a) *The practice in the Seventh Circuit prior to the decision in this case:*

It appears beyond question that the usual practice in the Seventh Circuit, up to the time of the decision in this case, had been to consider appeals, especially in patent causes, upon records containing uncondensed transcripts of the evidence.

A search of the records of the Circuit Court of Appeals for the Seventh Circuit for over five years immediately preceding the filing of the petition for rehearing discloses over one hundred cases in which certified transcripts of all, or substantially all the evidence, in question and answer form, were brought before that Court and considered without

objection by it. These cases are listed in an appendix to said petition for rehearing, about 60 of them being patent cases (Record, pp. 5027, *et seq.*). In several the judges who approved the record were of those who concurred in the opinion affirming the judgment in this cause. We instance the following:

Bestwall Manufacturing Co. v. *U. S. Gypsum Co.*, No. 3693, November 4, 1925 (Judges Alschuler, Evans and Anderson).

Wirebounds Co. v. *Gibbons*, No. 3650, December 11, 1925 (Judge Evans).

Fairbanks, Morse & Co. v. *American Valve & Meter Co.*, No. 3776, May 17, 1926 (Judge Evans).

(Record, pp. 5018-19.)

Within a few days after handing down its opinion in this case, the Court enforced the same doctrine in disposing of several other appeals. Among these was the case of *R. W. Clark Manufacturing Co.* v. *Tablet and Ticket Co.*, No. 3740, decided December 22, 1926. Judge Alschuler, who did not sit in petitioner's case, took part in the *Clark* case and rendered a vigorous dissenting opinion, stating emphatically that the usual practice in the Seventh Circuit had been to consider appeals and dispose of them on the merits upon uncondensed reports of the oral testimony, particularly in patent cases. These opinions being unreported as yet, we append them as Appendices C (majority opinion) and D (dissenting opinion).

The facts that the practice in the Seventh Circuit has always been as stated by Judge Alschuler is confirmed by the affidavit of Samuel E. Hibben (Record, p. 5043), a practitioner in patent causes in that Circuit of great experience, extending over nearly thirty-five years.

We submit that the distinction drawn by Judge Alschuler between the *Clark* case and this, viz., that there was a stipulation in the *Clark* case, is immaterial. The learned Judge

is in error in asserting that counsel for the appellee in this case (in which he did not sit) "insistently proved and urged dismissal of the appeal because of non-compliance with the rule." As we expect to show, petitioner's counsel had every reason to believe that they were following the usual practice in the Seventh Circuit, and nothing was said or done to indicate the contrary to them until the Court announced its decision.

(b) *The history of this particular record:*

The record further establishes that petitioner's counsel, far from having any disposition to violate a rule of this Court or of the Circuit Court of Appeals, have taken throughout the utmost pains to present their record in the form which they believed would be most acceptable to the latter Court.

The affidavit of Henry N. Paul, one of the petitioner's counsel (Record, pp. 5037-41) shows in detail the history of this record. He shows that this very point as to the manner in which the testimony should be certified was the subject of most careful consideration, and that he relied upon the advice of his senior local counsel, Mr. Edward Rector (now deceased), who advised that in cases of this character in the Seventh Circuit it was preferable and usual to have the entire testimony certified in question and answer form (Record, p. 5037). The *praecipe* was accordingly drawn in conformity with this advice. No counter *praecipe* was ever filed by the appellee, and no objection was ever raised by it to the form in which the testimony was certified, except by motion to strike out certain parts of the transcript entirely (Record, p. 5038), although the record was returned on petitioner's motion to the District Court for the formal approval of the statement of evidence by a Judge thereof. The cause was argued on October 6, 1926, on the merits and the Court at that time gave no intimation that it would decline to consider the evidence on account of the manner in

which it was presented. The decision, therefore, was absolutely a bolt from the blue so far as petitioner's counsel were concerned.

In the prevailing opinion in *R. W. Clark Manufacturing Co.* v. *Tablet & Ticket Co.* (Appendix C), Judge Evans states that "For fourteen years the courts have appealed to the bar to comply with the rule" (Equity Rule 75), and that "they have scolded and they have threatened." The most diligent search has failed to disclose any reported case in which the Circuit Court of Appeals for the Seventh Circuit have made any such appeal, or have done any such threatening or scolding. They certainly did not threaten or scold counsel in this case in this respect, nor have counsel been able to learn of any instance in which minatory language has been so employed. The statements quoted are in direct conflict with Judge Alschuler's experience on that bench as stated by him in his dissenting opinion. As he says "this Court has at least impliedly, seemed to invite litigants to continue", the practice which it now condemns (Appendix D, p. 37). And, as shown above, Judge Evans has himself within a little over a year made or concurred in making at least three orders providing that the transcript of the record shall contain all of the testimony, reproduced in the exact words of the witnesses (*supra*, p. 15).

In *Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, 173, Mr. Justice McReynolds suggests that one of the purposes of Equity Rules 75 and 76 was to protect litigants from unnecessary costs and delay. Judge Page uses language to the same effect in his opinion in the *Clark* case (Appendix C). It is at least debatable whether the labor necessary to reduce the testimony to narrative form does not entail a far greater expense, as well as delay, upon a litigant than the printing of the testimony as it was given. But it is humbly submitted that the solicitude expressed is of doubtful value to the litigant when, having already incurred the expense of printing the full record, he is denied a hearing upon the merits of his

appeal merely because he has assumed the expense and incurred the possible delay in question.

Search has been made in vain for any reported case where what Judge Alschuler aptly terms "the capital penalty" of affirmance for appellant's failure to comply with Rule 75 has been enforced. In a number of cases (in some of the other circuits) the Courts have "scolded", and sometimes even "threatened", but it is not found that the "capital penalty" has ever previously been executed by any Circuit Court of Appeals, without at least giving the offender his *locus penitentiae*. In most of these cases, after the "scolding", the Court has received and considered the record as presented.

United States v. *Motion Picture Patents Co.*, (D. C., E. Div. Penna., 1916) 230 Fed. 541, 542;

Carson v. *Hurt*, (C. C. A. 5th Cir. 1918) 250 Fed. 30;

Roxana Petroleum Co. v. *Rush*, (C. C. A. 5th Circ. 1924) 295 Fed. 844;

Buckeye Cotton Oil Co. v. *Ragland*, (C. C. A. 5th Circ. 1926), 11 Fed. (2nd) 231;

In re General Equity Rule, 75 (C. C. A. 6th Circ. 1914) 222 Fed. 884;

L. A. Westerman Co. v. *Dispatch Printing Co.*, (C. C. A. 6th Circ. 1916) 233 Fed. 609;

Firestone Tire & Rubber Co. v. *Seberling*, (C. C. A. 6th Circ. 1916) 235 Fed. 891;

Garland v. *Quinn*, (C. C. A. 6th Circ. 1917) 242 Fed. 267;

Goodwin v. *United States*, (C. C. A. 6th Circ. 1924), 295 Fed. 856;

Brictson Mfg. Co. v. *Close*, (C. C. A. 8th Circ. 1922) 280 Fed. 297;

Wong Krow v. *United States*, (C. C. A. 7th Circ. 1914) 215 Fed. 95.

In such reported cases in which Equity Rule 75 (b) has been discussed as have resulted in affirmance of the judg-

ment, there has invariably been found some defect other than non-condensation of the record in the record upon which to base such affirmance.

Buessel v. *United States* (C. C. A. 2nd Cir. 1919) 258 Fed. 811, 822;

Coxe v. *Peck-Williamson Heating and Ventilating Co.* (C. C. A. 5th Cir. 1913) 208 Fed. 409;

Wade v. *Leach* (C. C. A. 5th Cir. 1924) 2 Fed. (2nd) 367.

In the instant case, viewed in the light most unfavorable either to the petitioner or its counsel, there has at most been a mere error of judgment into which the District Judge also fell. Petitioner's Counsel have throughout, in absolute good faith, earnestly endeavored to present to the appellate court a record in the form that they believed would be most acceptable to it, and which would enable its members most readily to assimulate its contents.

Reference is again made to Judge Page's assertion in the *Clark* case that "For fourteen years the courts have appealed to the bar to comply with this rule". Evidently, then, the purpose and effect of infliction of the "capital penalty" upon this petitioner is, in major part at least, to compel it to make a vicarious atonement for the faults of others. We believe that this Court will agree with us that the ends of justice do not require the affirmance of a judgment carrying a liability of nearly a million dollars without review upon the merits upon any such consideration. Such a penalty would be far too severe upon the litigant even if its counsel had intentionally disobeyed the rule, which it is thought has been conclusively shown not to be the case in this instance.

CONCLUSION.

It is therefore respectfully submitted that even if the Circuit Court of Appeals had power to affirm the judgment

against petitioner upon the grounds stated in its opinion, it erred grievously in the exercise of its discretion in so doing without affording petitioner an opportunity to correct the unintentional failure of its counsel to comply with Equity Rule 75 as now sought to be administered by it. For the reasons stated, your petitioner respectfully prays that a writ of *certiorari* issue to enable this Court to review the decision of the Circuit Court of Appeals in this cause.

Respectfully submitted,

JOHN W. DAVIS,
CHARLES NEAVE,
SAMUEL E. HIBBEN,
HENRY N. PAUL,
Attorneys for Petitioner.

APPENDIX A.

IN THE

DISTRICT COURT OF THE UNITED STATES,

FOR THE SOUTHERN DISTRICT OF ILLINOIS
SOUTHERN DIVISION.

STANDARD ASPHALT AND RUBBER COMPANY, a corporation, vs. BARBER ASPHALT PAVING COMPANY, a corporation.	In Equity No. 25

This Cause came on to be heard upon the motion of the Barber Asphalt Paving Company filed herein on March 18, 1926, and upon the order of the Circuit Court of Appeals entered on January 29, 1926, certified copy of which is attached to said motion, and thereupon the said Barber Asphalt Paving Company, by its solicitors, Henry N. Paul and Logan Hay, presents to the Court the certified transcript of the record of this cause heretofore certified to the Circuit Court of Appeals and remitted by it on January 29, 1926, under the order of the Circuit Court of Appeals hereinabove referred to, and requests the Court to append its certificate of evidence to that part of the record which sets forth the testimony and other proceedings had and taken before this Court on the trial of said cause, and for such further amendment, correction or amplification as the District Court may see fit to make respecting the certification of the record, and also respecting the certification of certain printed copies of the specifications and drawings of four (4) United States patents as filed with the Accounting Master which are ap-

pended to the printed transcript in this case (pp. 4885 to 4907). And said Standard Asphalt and Rubber Company having been duly notified and appearing herein by A. F. Reichmann and Walter M. Allen, its counsel, appearing specially, solely and only for the purpose of challenging the power and jurisdiction of the Court to entertain the motion herein and to grant the relief herein prayed;

And the Court having heard the testimony of James M. Purcell, the official reporter who transcribed the testimony heard before the Honorable J. Otis Humphrey, deceased, and William J. Snyders, Deputy Clerk of this Court, finds:

1. That the sixteen volumes filed herein, one thereof on September 29, 1916, and fifteen thereof filed on January 17, 1917, together with the exhibits referred to therein and attached thereto, said volumes and exhibits being the testimony filed herein as referred to in the decree entered by Humphrey, Judge, February 20, 1917 and copies of which said volumes and exhibits are set forth at pages 24 to 1577, inclusive, of the printed transcript of record heretofore certified by the Clerk of this Court on June 29, 1925, are the full, true and complete transcript of all the proceedings had upon the hearing of this cause before the late Judge J. Otis Humphrey, including all the oral testimony, depositions, stipulations and exhibits which were introduced in evidence on the said hearing, and

2. That the instrument bearing on the cover in pencil the following: "Standard v. Barber, Defendant's Ex., Prior Art Patents, O. K. F. L. Belknap," containing among other things copies of the specifications forming part of Letters Patent Nos. 227945, 433198, 512348 and 512949, was filed by Bluford Wilson, Special Master in Chancery in this cause, with his report herein, and that said instrument contains the exhibits referred to on pages 3757, 3758, 3762 and 3764, inclusive, 3786 and 3788 inclusive, 3795 and 3796 inclusive, 3925 and 3936 inclusive wherein reference is made to letters Patent of the above numbers of the printed transcript of

record as certified by the Clerk of this Court, and was considered by this Court upon final hearing of this cause as exhibits reported by said Master in Chancery.

The Court therefore directs the Clerk of this Court to transcribe the said instrument described as: "Standard v. Barber, Defendant's Ex., Prior Art Patents, O. K. F. L. Belknap," by a supplemental transcript, to be certified to the Circuit Court of Appeals as part of the record of appeal in this cause.

And upon request of the said Defendant, the said Barber Asphalt Paving Company, the Court hereby directs that all the testimony in this cause be reproduced in the exact words of the witnesses, and not in narrative form.

And the Clerk of this Court is further directed to amend the transcript of record returned to this Court under the said order of the Circuit Court of Appeals, by adding thereto any file marks appearing upon the original stenographer's transcript of the proceedings at the trial as filed by the district judge and referred to by him in his interlocutory decree of February 20, 1917.

And pages 24 to 4872 inclusive of the transcript of record heretofore certified by the Clerk of this Court on June 29, 1925, amended and supplemented as herein directed, are hereby approved as a true, complete and properly prepared statement of the evidence (including testimony and exhibits therein referred to and the stipulation of the parties) in the above entitled cause.

And the Clerk of this Court is further directed to append to the original transcript of record herein a transcript of the order redocketing this cause in this court, the motion of Barber Asphalt Paving Company filed herein on March 18, 1926, and this order and thereupon to further certify said transcript of record and return the same to the Circuit Court of Appeals for the Seventh Circuit.

(Signed) Louis FitzHenry,
Judge.

Indorsed, Filed March 30, 1926, S. T. Burnett, Clerk.

APPENDIX B.

IN THE

UNITED STATES CIRCUIT COURT OF APPEALS,

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM AND SESSION, 1926.

No. 3614.

BARBER ASPHALT PAVING COMPANY, a Corporation, Appellant, vs. STANDARD ASPHALT & RUBBER COMPANY, a Corporation, Appellee.	Appeal from the District Court of the United States, for the Southern District of Illinois, Southern Division.

December 13, 1926.

Before EVANS, PAGE and ANDERSON, *Circuit Judges*.

Opinion by PAGE, *Cir. J.*

The suit by appellee, called plaintiff, against appellant, called defendant, charged infringement of Culmer Patents Nos. 635429 and 635430. Judge Humphrey's decree, filed February 20, 1917, found infringement, ordered an accounting, and appointed a master to make an accounting. As the patents had expired, no injunction was ordered.

Judge Humphrey died in June, 1918. Judge FitzHenry, on April 30, 1924, entered a final decree on the accounting in favor of plaintiff. July 1, 1924, appeal was allowed, assignment of errors filed, and citation issued. Supersedeas bond

was filed July 5, 1924. On defendant's request, twelve thirty-day extensions of time for filing the record in this court were allowed, the last one expiring July 26, 1925.

On April 24, 1925, nearly 300 days after the citation, defendant served upon plaintiff a praecipe, in part as follows:

> "Please prepare a transcript of the record in the above entitled cause for use on appeal, including therein copies of the following: * * * Certificate of evidence, consisting of printed pages 24 to 1215, inclusive, pages 1222 to 4591, inclusive, and the following exhibits * * *."

Preceding that item, were requests for the pleadings and some other items. Following it, was a request for a portion of the exhibits. No condensed statement of the evidence was filed.

June 24, 1925, two days before the expiration of the last extension, the clerk of the District Court attached his certificate to the record. On July 3, 1925, one copy of the record was filed in this court. The required number of copies were filed November 2, 1925.

November 9, 1925, plaintiff moved to dismiss the appeal because no proper record had been filed here, one reason being that there was no certificate of evidence as required by Equity Rule 75. Sixty days thereafter, defendant moved to remit the record to the District Court for its certificate and for other purposes. January 29, 1926, that motion was allowed.

April 13, 1926, two years after the final decree, the District Court's certificate to the record was filed here.

As originally filed, the record, of nearly 5000 pages, was printed in nine volumes, apparently containing everything in the proceedings in the court below. Nothing was eliminated, nothing condensed. The court's belated certificate neither required nor made any change in the record already here, except in two particulars,—it did not certify, but directed the clerk of the District Court to certify, certain exhibits, which were already in the record, and to amend the

record and add "any file marks appearing upon the original stenographer's transcript, etc." The clerk complied with the first direction, but we are unable to determine whether or not he complied with the second. The court ordered, as a part of his certificate:

> "Upon the request of the said defendant * * * the court hereby directs that all the testimony in this cause be reproduced in the exact words of the witnesses, and not in narrative form."

The record is here, with the judge's certificate added, just as it came originally, except that the four exhibits, directed to be added by the clerk, are now in the record twice.

Plaintiff is insisting on its motion to dismiss for failure to comply with Equity Rule 75.*

Fourteen years ago, the Supreme Court, approving a record in a case then before it, said it was in compliance with the spirit of Rules 75, 76 and 77,

> "which call for just such a winnowing out of the useless; the presentation of only the relevant parts of the exhibits, documents, tables, and reports; and the elimination of all reduplications in written and oral testimony

---

*75. RECORD ON APPEAL—REDUCTION AND PREPARATION. In case of appeal: (a) It shall be the duty of the appellant or his solicitor to file with the clerk of the court from which the appeal is prosecuted, together with proof or acknowledgment of service of a copy on the appellee or his solicitor, a *praecipe* which shall indicate the portions of the record to be incorporated into the transcript on such appeal. Should the appellee or his solicitor desire additional portions of the record incorporated into the transcript, he shall file with the clerk of the court his *praecipe* also within ten days thereafter, unless the time shall be enlarged by the court or a judge thereof, indicating such additional portions of the record desired by him.

(b) The evidence to be included in the record shall not be set forth in full, but shall be stated in simple and condensed form, all parts not essential to the decision of the questions presented by the appeal being omitted and the testimony of witnesses being stated only in narrative form, save that if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness. The duty of so condensing and stating the evidence shall rest primarily on the appellant, who shall prepare his statement thereof and lodge the

and a condensation into narrative form of what is material to the then issue before the court." (*Louisville & Nashville R. R. Co.* v. *U. S.*, 238 U. S. 11.)

Since then, the Supreme Court and many Courts of Appeal have pointed out the purpose of the rule and the necessity of observing it, but the condition of this record and of numerous other records before us at this term indicates that transition from the old practice to that under Rule 75 has been neither accomplished nor commenced.

By order of the Supreme Court, the rule became effective February 1, 1913. In 1914, the Sixth Circuit Court of Appeals, in *Re General Equity Rule 75 and Our Rule 15*, 222 Fed. 884, held that: without an order made at the term decree is entered, carrying the matter over to the next term, the court has the power, at a subsequent term, to approve and direct the filing of the statement of evidence required by Rule 75 (See also *Goodwin* v. *U. S.*, 295 Fed. (6th C. C. A., 1924) 856); that the perfection of the appeal by the approval of the bond and signing of citation yet leaves in the court the jurisdiction to settle the evidence, that proceeding being ministerial; that where the rule is wholly disregarded, the drastic

---

same in the clerk's office for the examination of the other parties at or before the time of filing his *praecipe* under paragraph (a) of this rule. He shall also notify the other parties or their solicitors of such lodgment and shall name a time and place when he shall ask the court or judge to approve the statement, the time so named to be at least ten days after such notice. At the expiration of the time named or such further time as the court or judge may allow, the statement, together with any objections made or amendments proposed by any party, shall be presented to the court or the judge, and if the statement be true, complete and properly prepared, it shall be approved by the court or judge, and if it be not true, complete or properly prepared, it shall be made so under the direction of the court or judge and shall then be approved. When approved, it shall be filed in the clerk's office and become a part of the record for the purposes of the appeal.

(c) If any difference arise between the parties concerning directions as to the general contents of the record to be prepared on the appeal, such difference shall be submitted to the court or judge in conformity with the provisions of paragraph (b) of this rule, and shall be covered by the directions which the court or judge may give on the subject.

remedy of dismissal may be necessary; and, where the record reaches the court containing the evidence in full, general equity Rule 76 provides a remedy which, at least during the transition in general practice, will be sufficient. *Struett* v. *Hill*, 269 Fed. (9th C. C. A., 1920) adopted and followed the above practice. *Sussex Land & Livestock Co.* v. *Midwest Refining Co.*, 294 Fed. (8th C. C. A., 1923) 597, 600, followed the Sixth and Ninth Circuit holdings, *supra*. The rule was before the court, in an incidental way, in *U. S.* v. *Great Northern Ry. Co.*, 254 Fed. 522, 526 (9th C. C. A.) in 1918. In *Carson* v. *Hunt*, 250 Fed. (5th C. C. A., 1918) 30, 33, where a statement of the evidence was prepared by the parties but not approved by the court and there was nothing to show that it contained all the evidence, the court said it would be presumed that there was other evidence in the record to support the decree.

In *Buessel* v. *U. S.*, 258 Fed. (2nd C. C. A., 1919), 811, 822, the equity practice prior to the rule is reviewed. The court said:

> "Whatever may or may not have been the practice in this circuit prior to 1912 in the matter of preparing the record in an appeal, the subject is governed by rules 75, 76 and 77, as framed by the Supreme Court, and that there is no power in this court to exempt a particular case from their operation. The rules, having been promulgated under the authority of an act of Congress, have the authority of statutory regulation. *Winter* v. *Ludlow*, 104 Fed. Cas. No. 17,891."

The court further said:

> "As the testimony in the transcript in this case is not there in conformity to Rule 75 we cannot consider it."

In *Buckeye Cotton Oil Co.* v. *Ragland*, 11 Fed. (2d) (5th C. C. A., 1926) 231, 232, the court said:

> "We are of opinion that equity rule 75 does not contemplate that the trial court will order all the testimony in a case sent up in question and answer form. If particular answers of a witness are subject to different interpre-

tions, the questions which elicited such answers frequently aid in determining which interpretation is correct. For that reason the rule provides, by way of exception, 'that if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness.' The rule was designed to prevent the imposition of such a record as this upon an appellate court. *Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, 42 S. Ct. 264, 66 L. Ed. 538; *Houston* v. *Telephone Co.*, 259 U. S. 318, 42 S. Ct. 486, 66 L. Ed. 961. * * * We will not enforce the rule in this case, but only for the reason that counsel might have construed the order allowing the appeal to authorize the record in its present shape."

In *Re Jewell Electrical Instrument Co.*, 283 Fed. (7th C. C. A., 1922) 978, 980, this court said:

"It is needless to test whether appellant's proposition is sustained by its citations of *Conn* v. *Penn*, 5 Wheat. 424, *Blease* v. *Garlington*, 92 U. S. 1, and *First Nat. Bank* v. *Abbott*, 165 Fed. 852, under former rules, for under present equity rule 46 respecting oral testimony in open court and equity rule 75, concerning an appellant's duty to procure the trial judge's certification of the evidence (like a bill of exceptions on the law side) and his duty to file it with the clerk of the trial court and his duty to include within his praecipe those portions of the record which establish the existence of error in the decree, there is no room for contending that error must be presumed."

In *Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, 173 (1911)* the court said, in part:

"Equity Rules 75 and 76 direct that records on appeal shall not set forth the evidence fully but in simple condensed form and require omission of non-essentials and mere formal parts of documents. Without apparent attempt to comply with these rules and with assent of appellee's counsel, appellants in No. 257 have filed a record of 21 volumes—twenty thousand printed pages—made up largely of stenographic reports of proceedings before the

*Sic in original.

> Master with hundreds of useless exhibits and many thousand pages of matter without present value. This is indefensible practice which we shall hereafter feel at liberty to punish to the limit of our discretion—possibly by dismissal of the appeal. These rules were intended to protect the courts against useless, burdensome records and litigants from unnecessary costs and delay. Counsel ought to comply with them, and trial courts should enforce performance of this plain duty."

See also *Peterson* v. *Mobile Gas Co.*, 271 U. S. 131.

In *Houston* v. *Southwestern Tel. Co.*, 259 U. S. 318, 325 (1921), the court said:

> "Equity rule No. 75 provides that evidence to be included in the record shall not be set forth in full but shall be stated in a simple and condensed form, and Rule 21 of this court provides that briefs of the argument shall be filed in each case, with references to the pages of the record and the authorities relied upon in support of each point. The first of these rules has been wholly ignored in the printing of this record and the second has been so neglected in the preparation of the briefs that it is impossible for the court to consider this question except by itself reading and briefing the voluminous record. This we cannot consent to do, and for the reason that the record and briefs are not prepared in conformity with the rules prescribed by this court, we decline to consider this assignment of error."

Outstanding provisions of the rule are that: (a) all parts of the evidence not essential to the decision presented by appeal shall be omitted; (b) the evidence shall not be set forth in full, but shall be stated in condensed form; (c) testimony of witnesses shall be stated only in narrative form, save that the court may direct any part of the testimony to be reproduced in the exact words of the witness; (d) the burden of preparing the statement of the evidence, filing it with the clerk at or before the time of filing the praecipe, notifying the appellee and fixing a date for hearing before the judge,

are placed on the appellant; (e) when the parties and the court have made up a statement that is "true, complete and properly prepared," the court is empowered and required to approve it. Excuse for not complying with (a), (b) and (c) is not attempted. For failure, during the two years between the final decree and the District Court's certificate, to comply with (d) no reason is offered. Since then it is urged that the court ordered as follows:

> "Upon request of said defendant * * * the court hereby directs that all the testimony in this case be reproduced in the exact words of the witnesses."

It is not within the power of the District court or judge to make such an order. The order is not in harmony with the spirit of Rule 75. The equity rules have the force of statutory enactments. *Buessel* v. *U. S., supra.* The duty of the court or judge in connection with the preparation of the statement is set out in the rule. The only power of approval vested in the court is found in the following language of the rule:

> "If the statement" (when presented) "be true, complete and properly prepared, it shall be approved by the court or judge."

That must mean that it shall comply with the rule.

In a proper statement, the evidence: (a) *must be condensed;* (b) *all parts not essential to a decision of the questions on appeal shall be omitted;* and (c) *the testimony of witnesses must be stated in narrative form only,* with the single exception,

> "That if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness."

That provision means that when the court or judge, being familiar with the evidence, finds that to properly present the

questions on appeal it is desirable that a part of the testimony of a witness shall be reproduced in his exact words, he may so direct. It is not within the purpose and spirit of the rule to put in a statement the whole of the testimony of any witness or of all the witnesses.

No question raised by the errors assigned can be determined without a consideration of the evidence, and, it not being properly before us, the decree is affirmed.

APPENDIX C.

IN THE

UNITED STATES CIRCUIT COURT OF APPEALS,

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM AND SESSION, 1926.

No. 3740.

R. W. CLARK MANUFACTURING COMPANY, *Appellant*, vs. TABLET & TICKET COMPANY, *Appellee*.	Appeal from the District Court of the United States for the Northern District of Illinois, Eastern Division.

December 22, 1926.

Before ALSCHULER, EVANS and ANDERSON, *Circuit Judges*.

EVANS, *Cir. J.*: This appeal involves the validity and the infringement of patent No. 1,207,711. It calls for an examination of the evidence disclosing the prior art and the alleged prior public use of the patented article. No question other than one of fact is involved.

There has been a total failure to comply with Supreme Court Equity Rule 75 in the preparation of the testimony. In short, there has been no effort made to condense or to eliminate unnecessary portions, or to put in narrative form the material testimony of the witnesses.

In view of the policy adopted by this court in *Barber Asphalt Paving Co. v. Standard Asphalt & Rubber Co.*, and

followed in other cases announced at this term, we can not review the record to ascertain whether the evidence supports the decree.

The Barber Asphalt case was announced in the belief that the only effective way to secure a compliance with this Rule 75 is to enforce it. And obviously it can not be enforced in one case and ignored in another.

It was the flagrant abuse of Equity Rule 75 that lead to the promulgation of this decision, an abuse that resulted in great delay and needless expense to the litigants, and to the imposition of an unfair burden on the court. The litigants have a right to expect the courts to relieve them of this unnecessary expense, and the unnecessary delay, which unavoidably follows an attempt to dispose of litigation in such an awkward and cumbersome manner. For fourteen years the courts have appealed to the bar to comply with the rule. They have scolded and they have threatened, and yet the records in patent suits have grown longer and longer, and are loaded more and more useless documents and irrelevant testimony.

In almost all state appellate courts, a rule similar to this one exists and is enforced. The Federal courts enforce a similar rule respecting bills of exceptions in common law actions. *Jones* v. *G. & B. Sewing Machine Co.*, 131 U. S. App. cl; *Mueller* v. *Ehlers*, 91 U. S. 249

This rule is followed generally in the federal courts save by a limited branch of the profession. We feel confident that once it is cheerfully accepted by this group, its advantages will be uniformly recognized.

The decree is affirmed.

APPENDIX D.

ALSCHULER, *Cir. J.*, dissenting: Assuming to follow the policy adopted in the Barber Asphalt Paving Company case (Dec. 13, 1926), and stating in the majority opinion herein that Rule 75 "cannot be enforced in one case and ignored in another," it seems that my brethren have concluded *sua sponte* to affirm the decree in this and all other equity appeals which we have heretofore heard and are pending for decisions, where the evidence necessary to be considered in deciding the cause appears in the transcript in question and answer form, without condensation and approval as required by Rule 75.

I cannot in this appeal, nor in others in like situation, give assent to affirmance of the decree, because only of transgression of the rule.

While in Barber Asphalt the appellee insistently moved and urged dismissal of the appeal because of noncompliance with the rule, in this case, as in most, if not all the others, the transcript was prepared under stipulation of counsel for all parties, and consent of the trial judge. Here there is also a stipulated order of this court entered upon my direction, permitting the use on this appeal of such transcript. The briefs were prepared and oral arguments made and heard evidently on the faith of counsel, as well as court, that the transcript was in this respect unobjectionable—or at least acceptable.

Notwithstanding the rule, the most usual practice in most districts of this circuit, in the preparation of transcripts for equity appeals—particularly in patent cases—has been for counsel to stipulate that an uncondensed shorthand report of the oral testimony be incorporated in the transcript, and for the trial judge, by order or endorsement on the transcript, to consent thereto; and so far as my judicial experience extends, and the reports indicate, this court has always heard such appeals and disposed of them on their merits, no ques-

tion as to observance of the rule being raised by court or counsel.

I can agree that the seemingly broad exception to the operation of Rule 75(b), viz: "save if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness," does not contemplate that by the trial judge's perfunctory assent to such stipulation of counsel, observances of the rule may be avoided; and, further, that such consent is usually an improvident and unwarranted application of the saving clause. *Firestone Tire, etc. Co.* v. *Scberling*, 235 Fed. 891; *Buckeye Cotton Oil Co.* v. *Ragland*, 11th Fed. (2d) 522. Also, that such order of consent by the Circuit Court of Appeals or any judge thereof, as was made in this case, is likewise improvident and objectionable and should not have been made.

I do not know what the practice in this respect has been in other circuits. That there have been transgressions with which they, as well as the Supreme Court, have dealt, the reported decisions indicate. But notwithstanding the fourteen years' existence of the rule, I have yet to find the first instance where a federal court of appellate jurisdiction has affirmed a decree in equity or dismissed the appeal for failure to make and to have certified a condensed statement of the evidence.

Indeed, without the statement by the Supreme Court in *Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, that in case of such transgression thereafter, that court will feel at liberty to penalize the transgressor "to the limit of our discretion—possibly by dismissal of the appeal," (which in that case was not done, but the 20,000-page uncondensed transcript considered on its merits), it might well have been doubted whether the consequence of noncompliance could properly extend beyond such penalization as might come through the awarding or withholding of costs. For Rule 76, after providing for the exclusion of immaterial parts of documents and papers, states: "and for any infraction of this or any kindred rule

the appellate court may withhold or impose costs as the circumstances of the case and the discouragement of like infractions in the future may require. Costs for such an infraction may be imposed upon the offending solicitors as well as parties." And which of the equity rules is more kindred to Rule 76 than 75?

But accepting affirmance or dismissal as a permissible consequence of noncompliance with Rule 75, the very fact that, as appears from the cases cited in the Barber Asphalt opinion, and in others, the courts did not impose it, but quite generally overlooked the transgression in the particular case, and determined it on its merits, makes it apparent that the manner and extent of penalization rests with the court wherein the appeal is pending.

My contention is, not that this court is without power in a proper case to impose dismissal or affirmance as a consequence of the infraction, but that this court's long acquiescence in the practice here followed makes it highly inequitable here to impose the capital penalty of affirmance without first affording opportunity to comply with the rule, in whose long non-observance this court has, at least impliedly, seemed to invite litigants to continue.

I believe that in this case such opportunity could and should have been given, and that affirmance on the court's own motion, without reasonable opportunity for compliance, is an unreasonable exercise of the court's discretion.

I believe this court has the power to make such an order, and the district judge thereupon to certify a proper statement of the record, notwithstanding the term has passed; and am in accord with the Sixth C. C. A. in its statement that where an appeal has been taken in apt time, the preparation of the record to comply with Rule 75(b) is a ministerial matter, to which the district court or judge may certify at any time, regardless of terms of court. *Re General Equity Rule 75*, 222 Fed. 884; also *Struett v. Hill*, 269 Fed. 247; *Sussex Land, etc. Co. v. Midwest Ref. Co.*, 294 Fed. 597.

Such course would cause some delay and expense, but the parties affected could not properly complain since by their stipulation, albeit made in good faith, they became the prime factors in transgression of the rule.

(3)

Office Supreme Court, U. S.
FILED
SEP 9 1927
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

October Term 1927.

No. 194.

BARBER ASPHALT PAVING COMPANY,
Petitioner,

against

STANDARD ASPHALT & RUBBER COMPANY,
Respondent.

BRIEF FOR PETITIONER.

1 p 20
1 p 18

JOHN W. DAVIS,
CHARLES NEAVE,
SAMUEL E. HIBBEN,
HENRY N. PAUL,
EDWARD L. PATTERSON,
Counsel for Petitioner.

TABLE OF CONTENTS.

PAGE

Opinion below reported 1

Jurisdiction of the Court 1

Statement of the Case 2

Points upon which Petitioner intends to rely 4

POINT I. Section 865 of Title 28 of the United States Code (Act of February 13, 1911; 36 Stat. 901) provides that on appeal from a District Court to a Circuit Court of Appeals the condensation of the record of the District Court shall be governed by the rules of the Circuit Court of Appeals, all of which rules were complied with in this case 6

POINT II. The Judge of the District Court has certified that the record in this case as presented to the Circuit Court of Appeals is "true, complete and properly prepared" (R., 49-50), in view of which certificate the Appellate Court should not have held that no evidence was properly before it 11

POINT III. Section 269 of the Judicial Code as amended by Act of Feb. 26, 1919, 40 Stat. 1181 (now U. S. Code, Sec. 391), requires the Circuit Court of Appeals to give judgment after an examination of the entire record before the court without regard to technical errors, defects or exceptions which do not affect the substantial rights of the parties, and this should have been done.. 13

POINT IV. The District Court in this case ordered that "all the testimony in this cause be reproduced in the exact words of the witnesses and not in narrative

PAGE

form" (R., 49) and the transcript of the record was made up in conformity with this order of the court. If this order was error, it was at most reversible and not irremediable error; and the Circuit Court of Appeals should have granted petitioner's motion for leave to procure from the District Court a record complying with its orders or requirements 15

POINT V. The Circuit Court of Appeals should at least have passed upon the issue of plaintiff's title upon which the whole case depended and as to which the evidence was wholly documentary and incapable of being reduced to narrative form 18

POINT VI. Assuming that the Circuit Court of Appeals was correct in its interpretation of Equity Rule 75 and that it was within the power of said Court to refuse to consider the merits of the Appeal because of a failure to comply with the Rule as so interpreted; nevertheless, in view of all of the surrounding circumstances, the said Circuit Court of Appeals failed in this case to exercise a sound discretion in refusing to afford Petitioner the opportunity to comply with Equity Rule 75, for which Petitioner asked, as soon as the interpretation placed upon it by the Circuit Court of Appeals was made clear 20

CONCLUSION 31

APPENDIX A.—Opinion of Circuit Court of Appeals in R. W. Clark Manufacturing Co. v. Tablet & Ticket Co. 33

APPENDIX B.—Dissenting Opinion of Alschuler, J., in R. W. Clark Manufacturing Co. v. Tablet & Ticket Co... 35

Table of Cases Cited.

PAGE

Barber Asphalt Paving Co. v. Standard Asphalt & Rubber Co., 16 Fed. (2nd) 751 ..... 1, 26
Id. U. S. Sup. Ct. Rep., 71 L. Ed. 744 3
Bestwall Manufacturing Co. v. U. S. Gypsum Co. 21
Bradley, *ex parte*, 7 Wall. 364 32
Brieston Manufacturing Co. v. Close, 280 Fed. 297 29
Buckeye Cotton Oil Co. v. Ragland, 11 Fed. (2nd) 231 .. 10, 23, 29
Buessel v. United States, 258 Fed. 811 30
Carson v. Hurt, 250 Fed. 30 29
Clark, R. W., Manufacturing Co. v. Tablet & Ticket Co., ... 17, 18, 22, 23, 26, 27, 30, 31, 32, 33-8
Coxe v. Peck-Williamson Heating & Ventilating Co., 208 Fed. 409 ..... 18, 30
Fairbanks, Morse & Co. v. American Valve & Meter Co. .. 22
Farmers Loan & Trust Co., Petitioner, 129 U. S. 206 32
Firestone Tire & Rubber Co. v. Seberling, 235 Fed. 891 .. 29
Garland v. Quinn, 242 Fed. 267 ..... 18, 29
General Equity Rule 75, *In re*, 222 Fed. 884 .. 10, 13, 17, 23, 29
Goodwin v. United States, 295 Fed. 856 29
L. A. Westerman Co. v. Dispatch Printing Co., 233 Fed. 609 29
Newton v. Consolidated Gas Co., 258 U. S. 165 ..... 18, 28
R. W. Clark Manufacturing Co. v. Tablet & Ticket Co., 17, 18, 22, 23, 26, 27, 30, 31, 32, 33-8
Rainey v. Grace & Co., 231 U. S. 703 8
Roxana Petroleum Co. v. Rush, 295 Fed. 844 ..... 10, 29
Secombe, *ex parte*, 19 How. 9 32
Struett v. Hill, 269 Fed. 247 13
Sussex Land & Improvement Co. v. Midwest Refining Co., 294 Fed. 597 13
United States v. Motion Picture Patents Co., 230 Fed. 541 ..... 10, 29
Id., 241 U. S. 691 ..... 10, 16

PAGE

United States v. United States Steel Corporation, 240 U. S. 442 ..... 10, 16
Wade v. Leach, 2 Fed. (2nd) 367 30
Westerman, L. A., Co. v. Dispatch Printing Co., 233 Fed. 609 29
Wirebounds Co. v. Gibbons 22
Wong Keow v. United States, 215 Fed. 95 29

Statutes Cited.

U. S. Code	Judicial Code	Revised Statutes or Statutes at Large	
Tit. 28, § 219	§ 122	36 Stat. 1132	7
" " § 347	§ 240	43 Stat. 938	1
" " § 391	§ 269	40 Stat. 1181	4, 12, 13
" " § 730		R. S. § 917	6
" " § 865		36 Stat. 901	4, 6, 8, 9, 16

IN THE

Supreme Court of the United States

October Term 1927.

BARBER ASPHALT PAVING COMPANY, Petitioner, against STANDARD ASPHALT & RUBBER COMPANY, Respondent.	No. 194.

BRIEF FOR PETITIONER.

This cause comes before the Court upon Writ of Certiorari to the United States Circuit Court of Appeals for the Seventh Circuit granted April 18, 1927. By its order granting the said writ and assigning the cause for argument (filed April 25, 1927), this Court limited the questions to be heard at this time, as will hereinafter appear in the Statement of the Case.

Opinion Below.

The opinion of the said Circuit Court of Appeals is reported in 16 Fed. (2nd), 751.

The judgment to be reviewed is dated December 13, 1926 (R. 75).

Jurisdiction of the Court.

This Court has jurisdiction of the above entitled cause under United States Code, Sec. 347 (former Judicial Code, Sec. 240).

Page references to the Record in this Brief are to the "Designated Transcript of Record" prepared in accordance with petitioner's motion of May 16, 1927, and respondent's answer thereto.

Statement of the Case.

The petitioner Barber Asphalt Paving Company is a Corporation of the State of West Virginia, having its principal office in the City of Philadelphia, State of Pennsylvania.

The suit in which the decree to be reviewed was rendered was brought by the respondent against the petitioner in the District Court of the United States for the Southern District of Illinois, for the infringement of United States Letters Patent Nos. 635,429 and 635,430. The District Court (Judge Humphrey presiding) entered a decree finding infringement and ordering an accounting before a Master (R. 16). Judge Humphrey died before the accounting was concluded.

As the result of the accounting before the Master a final decree was entered by said Court (Judge FitzHenry presiding) on April 30, 1924, awarding respondent the sum of $650,044.83 with interest from January 6, 1921 (R. 40). Petitioner duly appealed to the Circuit Court of Appeals for the Seventh Circuit, which appeal was allowed July 1, 1924 (R. 41). The record on appeal was, on Petitioner's motion, returned to the District Court for correction (R. 58-65). On March 30, 1926, the District Court entered an order directing "that all the testimony in this cause be reproduced in the exact words of the witnesses and not in narrative form"; and further ordering that the said statement of evidence as incorporated in the transcript of the record be "hereby approved as a true, complete and properly prepared statement of the evidence" (R. 48-50).

Upon the record as so corrected and authenticated the said cause came on for argument on October 6, 1926, before the Honorable Evan A. Evans, George T. Page and Albert B. Anderson, and was fully argued upon the merits and taken under advisement by the Court (R. 68).

On December 13, 1926, the United States Circuit Court of Appeals for the Seventh Circuit handed down an opinion affirming the decree below upon the sole ground that there

had been a failure to comply with Equity Rule No. 75 (b) in that the evidence included in the Record had not been stated in narrative form, but had been set forth in full, and that the District Judge had no power to make the order of March 30, 1926, referred to above, directing that such evidence should be reproduced in the words of the witnesses and not in narrative form (R. 68-75).

Petitioner thereupon (December 31, 1926) moved for a rehearing (R. 77) and also specifically moved for an opportunity to amend the record in accordance with the Court's interpretation of the rule as enounced in its said opinion (R. 119-120). Said motions were denied January 24, 1927 (R. 196).

On April 11, 1927, petitioner presented its petition to this Court for a writ of certiorari to review said decision and order of the Circuit Court of Appeals. At the same time petitioner applied to this Court for leave to file a petition for a writ of mandamus directed to the Judges of the said United States Circuit Court of Appeals for the Seventh Circuit and to the said Court, commanding them to set aside the order entered upon said opinion of said Court, delivered December 13, 1926, and to proceed to give judgment upon the Record and argument had before the Court; or, in the alternative, to vacate and set aside the denial of petitioner's said petition and motion of December 31, 1926, and to grant the same.

On April 18, 1927, this Court granted the said petition for certiorari (U. S. Sup. Ct. Rep., 71 L. Ed. 744), and on April 25, 1927, made and filed its order advancing this cause and assigning it for argument, solely upon the question of the action of the Court below in so far as it dismissed the appeal because the Transcript of Record did not comply with Equity Rule 75. At the same time it denied the application for leave to file a petition for mandamus.

As this Court by its said order of April 25, 1927, has treated the action of the Court below as a dismissal of the

appeal, we shall do the same. In terms, the U. S. Circuit Court of Appeals for the Seventh Circuit affirmed the decree of the District Court on the ground that there was no evidence properly before it. It may be questioned whether a decree upon the merits can be affirmed without consideration of the record. But, as the action of the Court of Appeals was tantamount to a dismissal of the appeal, it is here treated as though the order had been in such form.

Points Upon Which Petitioner Intends to Rely.

This court by order dated April 25, 1927, has directed that this case be heard only upon the question of the action of the Circuit Court of Appeals in so far as it dismissed the appeal because the Transcript of Record did not comply with Equity Rule 75.

Petitioner urges that the Circuit Court of Appeals erred in refusing to consider the merits of the cause and *affirming the decree* of the court below (or in effect dismissing the appeal) upon the sole ground that no evidence was properly before the Circuit Court of Appeals; and that such action was erroneous because:

I. Section 865 of Title 28 of the United States Code (Act of Feb. 13, 1911; 36 Stat. 901) provides that on appeal from a District Court to a Circuit Court of Appeals the condensation of the record of the District Court shall be governed by the Rules of the Circuit Court of Appeals, all of which rules were complied with in this case.

II. The Judge of the District Court has certified that the record in this case as presented to the Circuit Court of Appeals is "true, complete and properly prepared" (R. 49-50), in view of which certificate the Appellate Court should not have held that no evidence was properly before it.

III. Section 269 of the Judicial Code as amended by Act of Feb. 26, 1919, 40 Stat. 1181 (now U. S. Code, Sec. 391),

requires the Circuit Court of Appeals to give judgment after an examination of the entire record before the court without regard to technical errors, defects or exceptions which do not affect the substantial rights of the parties, and this should have been done.

IV. The District Court in this case ordered that "all the testimony in this cause be reproduced in the exact words of the witnesses and not in narrative form" (R. 49) and the transcript of the record was made up in conformity with this order of the court. If this order was error, it was at most reversible and not irremediable error; and the Circuit Court of Appeals should have granted petitioner's motion for leave to procure from the District Court a record complying with its orders or requirements.

V. The Circuit Court of Appeals should at least have passed upon the issue of plaintiff's title upon which the whole case depended and as to which the evidence was wholly documentary and incapable of being reduced to narrative form.

VI. Assuming that the Circuit Court of Appeals was correct in its interpretation of Equity Rule 75 and that it was within the power of said Court to refuse to consider the merits of the appeal because of a failure to comply with the Rule as so interpreted; nevertheless, in view of all of the surrounding circumstances, the said Circuit Court of Appeals failed in this case to exercise a sound discretion in refusing to afford Petitioner the opportunity to comply with Equity Rule 75, for which Petitioner asked, as soon as the interpretation placed upon it by the Circuit Court of Appeals was made clear.

POINT I.

Section 865 of Title 28 of the United States Code (Act of February 13, 1911; 36 Stat. 901) provides that on appeal from a District Court to a Circuit Court of Appeals the condensation of the record of the District Court shall be governed by the rules of the Circuit Court of Appeals, all of which rules were complied with in this case.

By Title 28, Sec. 730 of the United States Code, the Supreme Court is given the power to regulate the whole practice to be used in suits in equity by the District Courts, provided such regulation be in a manner *"not inconsistent with any law of the United States"*; but no such power is anywhere given to the Supreme Court to regulate practice in the Circuit Courts of Appeals.

Accordingly, the Equity Rules (including Rule 75) regulate the practice in the District Courts; but so far as Rule 75 relates to a matter (condensation of the record) concerning which Congress has expressly placed the power of regulation in the Circuit Court of Appeals, the Rule must, it is submitted, yield to the Statute.

Title 28, Sec. 865 of the United States Code (quoted below) has expressly delegated to the Circuit Courts of Appeals the right and duty, *by rule*, to regulate what *"part or abstract of the proofs"* shall be incorporated in a transcript of record on appeal from a final decree of a District Court to a United States Circuit Court of Appeals. Therefore, while Equity Rule 75 is self enforcing as to appeals from the District Court directly to the Supreme Court, or as to appeals from interlocutory orders or decrees, it must be promulgated as a rule of a Court of Appeals before it becomes applicable to appeals from a final decree of a District Court to that court.

> "SEC. 865. *Printed transcripts of record on appeal to circuit court of appeals.* In any cause or proceeding

wherein the final judgment or decree is sought to be reviewed on appeal to, or by writ of error from, a United States circuit court of appeals the appellant or plaintiff in error shall cause to be printed under such rules as the lower court shall prescribe, and shall file in the office of the clerk of such circuit court of appeals at least twenty days before the case is called for argument therein, at least twenty-five *printed transcripts of the record* of the lower court, and of *such part or abstract of the proofs as the rules of such circuit court of appeals may require*, and in such *form* as the Supreme Court of the United States shall by rule prescribe, one of which printed transcripts shall be certified under the hand of the clerk of the lower court and under the seal thereof, and shall furnish three copies of such printed transcript to the adverse party at least twenty days before such argument. Either *the court* below or the Circuit Court of Appeals *may order any* original documents or *other evidence to be sent up* in addition to the printed copies of the record or in lieu of printed copies of a part thereof; and no written or typewritten transcript of the record shall be required." (Italics Petitioner's.)

(Act of Feb. 13, 1911, c. 47, §1, 36 Stat. 901.)

This enactment empowers the Circuit Court of Appeals to determine what "part or abstract of the proofs" shall be incorporated in the printed transcript, and this must be by *rule;* but the Court below has the power to send up "other evidence" in addition to the printed copies of the record as condensed or made up under the rules of the Appellate Court.

By Sec. 219 of the United States Code, each Circuit Court of Appeals is given power to "establish all rules and regulations for the conduct of the business of the court within its jurisdiction, as conferred by law."

Pursuant to this power, the United States Circuit Court of Appeals for the Seventh Circuit has promulgated the following rule (14):

"Whenever an appeal is allowed the clerk shall return the original certificate of evidence when signed by the

judge who tried the cause. The clerk may require of the appellant or plaintiff in error a written praecipe stating in detail what the transcript shall contain, and when a praecipe is filed shall insert a copy thereof in the transcript."

This is the only rule of that court on the subject.

Pursuant to the power given to the Supreme Court by Sec. 863 of the United States Code to prescribe by rule the "*form*" of the printed transcripts of the record of the Lower Court, this court has promulgated its Rule 24, headed "Form of Printed Records, Petitions, Briefs, etc."

That this regulation of the "form" of the printed transcript is what this Court believes Congress intended to place in its hands would appear from its opinion in *Rainey* v. *Grace & Co.* (231 U. S. 703, 708). The prescribing of the "*form*" of the printed transcript must be a different matter from *condensing or abstracting the proofs*, for the two matters in question are placed by the statute in different hands.

Therefore it is respectfully submitted that Rule 75 of the present Equity Rules of the Supreme Court, while operative to control the practice of the District Courts in relation to the condensation of records upon appeals direct from those Courts to the Supreme Court, cannot, in accordance with the terms of the statute, become operative upon appeals from a final decree of the District Court to a Circuit Court of Appeals *until the latter Court has by rule promulgated Rule 75 as its own*. In the Sixth Circuit this has been done (Rule 15, 202 Fed. p. ix).

And this is reasonable. Much the greater number of such appeals go no further than the Circuit Court of Appeals, and Congress has therefore recognized that those courts should have the power to control the condensation of records brought before them.

The point which we have thus presented, is one which was presented to the United States Circuit Court of Appeals for the Seventh Circuit, on Jan. 4, 1927, by a committee of the

Chicago Patent Law Association. It is the ground upon which some, at least, of the Circuit Courts of Appeals habitually permit the District Courts to send to them the entire testimony of the witnesses.

Ever since the adoption by this Court of its Equity Rule 75, there has been difference of opinion among the Judges of different Circuit Courts of Appeals as to its application and interpretation, all desiring a proper condensation of the documentary record, but many desiring that the evidence of the witnesses be sent to them "in the exact words of the witnesses".

In the latter Circuits the power given by U. S. Code, Sec. 865, to Circuit Courts of Appeals to prescribe by rule what part of the proofs shall be incorporated in the transcript; or the subsequent clause of said Section 865, which authorizes the Court below to send up "any other evidence"; or the clause of Equity Rule 75 (assuming it to be applicable) which empowers the Court below to direct that "any part of the testimony shall be reproduced in the exact words of the witness", have been, one or other of them, interpreted as conferring power upon the District Court to certify and send to the Circuit Court of Appeals, and upon said Circuit Court of Appeals to receive or require, *all* of the testimony in the words of the witnesses, together with the questions eliciting such testimony.

Accordingly the following practice has resulted.

In the *First Circuit* substantially all records in equity go up on Appeal by order of the District Judge without condensation of the testimony.

In the *Second Circuit* the great majority of the records in equity go up on Appeal without condensation of the testimony.

In the *Third Circuit* substantially all records in equity go up on Appeal without condensation of the testimony. This practice was established as a result of proceedings in the case of *United States* v. *Motion Picture Patents Co., et al.,*

in which the District Judge (230 Fed. 541) had asserted that the District Court had no power to order all of the testimony sent up without condensation. This court permitted the filing of a Mandamus application (Original No. 24 of Oct. Term, 1915, subsequently dismissed 241 U. S. 691), whereupon the District Judge, taking this as his warrant, certified the entire record to the Circuit Court of Appeals (referring as additional authority to *United States* v. *U. S. Steel Corporation*, 240 U. S. 442, which was decided a few weeks after the original opinion of the District Court). The practice thus established has been followed ever since, and has been frequently commended by judges of the Circuit Court of Appeals for the Third Circuit, as corresponding to the wishes of that Court.

In the *Fourth and Fifth Circuits* the testimony of most records in equity is considerably condensed on appeal. This is a consequence of the decisions in the Fifth Circuit in *Roxana Petroleum Co.* v. *Rush*, 295 Fed. 844, and *Buckeye Cotton Oil Co.* v. *Ragland*, 11 Fed. (2nd) 231.

In the *Sixth Circuit* all records in equity on appeal are greatly condensed in accordance with Rule 15 of the said Circuit Court of Appeals and successive decisions interpreting it beginning with *"In re General Equity Rule 75"* (222 Fed. 884).

In the *Seventh Circuit*, until the decision in the instant case, the great majority of records in equity went up on appeal with little or no condensation of the testimony. For fuller statement of the facts and proof see *infra*, pages 21 *et seq.*)

In the *Eighth and Ninth Circuits* the general practice in equity appeals is to take up the complete trial record without condensation of the testimony, usually pursuant to an order of the District Judge. (See affidavits, R. 111 and R. 117. Further affidavits to the same effect but with more detailed information were submitted in the mandamus application referred to at the outset of this brief and are now in the records of this Court.)

Thus, in each of the nine Circuits, in accordance with the spirit of Sec. 865 of the United States Code, the Circuit Court of Appeals for that Circuit has brought about and maintained a substantially uniform practice for its own Circuit, giving it records in the form in which it desires to receive them; although, except in the Sixth Circuit, no Rules of Court have been promulgated to regulate this practice. But it would seem clear that a practice thus established can not be changed except *by Rule* as the Statute requires. The Circuit Court of Appeals for the Seventh Circuit has endeavored in this case to do this by decision, whereas it should have followed its theretofore usually accepted practice and, in the absence of any *Rule* made by it on this subject, should have received the record in this case and passed upon the merits of the Appeal.

POINT II.

The Judge of the District Court has certified that the record in this case as presented to the Circuit Court of Appeals is "true, complete and properly prepared" (R. 49-50), in view of which certificate the Appellate Court should not have held that no evidence was properly before it.

If the Statute which we have cited does not control, then the duty of deciding what the statement of evidence in records on appeal shall contain is definitely imposed by Equity Rules 75 and 76 upon the District Court or judge. Under subdivision (b) of Rule 75, when such statement has been approved by the District Court or Judge, and certified by him to be "true, complete and properly prepared" and filed in the Clerk's office, it becomes a part of the record for the purposes of the appeal. If the Circuit Court of Appeals considers that the evidence is too much or too little condensed, it has power to direct the District Court

to amend the statement by supplemental transcript. But this is the limit of its power, and it cannot treat the certificate of the District Court or judge as a nullity and take the position that there is no evidence before it when the certificate of evidence authenticated in the prescribed manner is in the record.

The fourth sentence of Paragraph (b) of Rule 75 provides:

> "if the statement be true, complete and properly prepared, it shall be approved by the court or judge, and *if it be not true, complete or properly prepared, it shall be made so* under the direction of the court or judge *and shall then be approved.*" (Italics petitioner's.)

It is respectfully insisted that the provision italicised is just as much a part of the Rule as all the other provisions thereof, including that requiring condensation of the Record, and must be given equal effect. It clearly contemplates that the trial court or judge shall rule in the first instance as to what is a "true, complete and properly prepared" statement of the evidence in the particular case. If the Appellate Court disagrees with him as to this, it can send the statement back to be "made so under the direction of the court or judge", but when "made so" "*it shall then be approved*".

This construction, which it is contended is the only reasonable one, has the additional merit that it accords both in letter and spirit with the Amendment to Jud. Code §269 by the Act of February 26, 1919, hereinafter discussed under Point III, *infra*, which expressly prohibits the determination or disposal of appeals on technical errors or defects in the Record, not affecting the substantial rights of the parties.

Rule 76 further supports this position. It expressly declares that: "If, in the transcript, *anything material to either party be omitted by accident or error*, the appellate court, on a proper suggestion or its own motion, may direct that the omission be corrected by a supplemental transcript." (Italics Petitioner's.)

It will be seen that it is not necessary for the appellate court to send back the entire record for the purpose of curing what it considers defects therein. The certificate of evidence is only *part* of the record, and the omission of what the appellate court considers a *proper* certificate can be amended by a supplemental transcript. This can be done at any time, since the District Court does not lose its power to settle the evidence in equity causes because a term has expired, or an appeal been perfected.

In re General Equity Rule 75, 222 Fed. 884;
Struett v. *Hill*, 269 Fed. 247;
Sussex Land & Live Stock Co. v. *Midwest Refining Co.*, 294 Fed. 597.

It is respectfully urged that the second paragraph of Rule 76 was intended to provide for exactly such a situation as the Circuit Court of Appeals considered was before it in this case, and that it should have directed correction of the record by supplemental transcript, instead of totally disregarding the certificate of the District Judge, and affirming the judgment because, as it held, the evidence was not properly before it.

POINT III.

Section 269 of the Judicial Code as amended by Act of Feb. 26, 1919, 40 Stat. 1181 (now U. S. Code, Sec. 391), requires the Circuit Court of Appeals to give judgment after an examination of the entire record before the court without regard to technical errors, defects or exceptions which do not affect the substantial rights of the parties, and this should have been done.

By Act approved February 26, 1919, 40 Stat. 1181, the Congress added the following sentence to Sec. 269 of the Judicial code (now U. S. Code, Sec. 391):

> "On the hearing of any appeal, certiorari, writ of error, or motion for a new trial, in any case, civil or criminal, the court shall give judgment after an examination of the entire record before the court, without regard to technical errors, defects, or exceptions which do not affect the substantial rights of the parties."

This was new legislation, and if any existing rules were found to be in conflict with it, they must necessarily give way.

It is contended by petitioner that the action of the Circuit Court of Appeals in this case was a violation not only of the spirit, but of the letter, of this enactment.

The Circuit Court of Appeals declined to consider petitioner's appeal on the merits because it considered that the evidence was not presented to it in proper form. This, it is submitted, was at most a mere technical defect and one "not affecting the substantial rights of the parties", since the latter necessarily depended upon the consideration and decision of the assignments of error. The statutory provision quoted is mandatory and the Appellate Court cannot disregard it. Its affirmance of the decree, therefore, upon the grounds assigned by it, was a denial of the substantial right of petitioner to have its appeal considered upon the merits without regard to technical defects or errors, and was in violation of the statute.

It was the plain duty of the Court under the Statute either to disregard this alleged defect, or to exercise its power to have it corrected by the District Court. The Court admits its refusal to consider the evidence, although no question raised by the errors assigned could be determined without such consideration (R. 75). The *substantial* rights of the parties necessarily depended upon the consideration and decision of the assignments of error. The provision of the amendment that appeals shall be considered without regard to technical defects is as imperative as legislation can be—the court has no discretion whatever in the matter. The affirmance of

the decree upon the purely technical ground that a rule of procedure had not been complied with, especially when compliance might so readily have been obtained, was a denial of a substantial right of petitioner's, a palpable violation of the legislative intent, and reversible error.

POINT IV.

The District Court in this case ordered that "all the testimony in this cause be reproduced in the exact words of the witnesses and not in narrative form" (R. 49) and the transcript of the record was made up in conformity with this order of the court. If this order was error, it was at most reversible and not irremediable error; and the Circuit Court of Appeals should have granted petitioner's motion for leave to procure from the District Court a record complying with its orders or requirements.

As we have endeavored to show under the preceding points, Equity Rule 75 places upon the *District* Court or Judge the full responsibility of deciding what the statement of evidence to be incorporated in the record on appeal shall contain. The last sentence of subdivision (b) of the Rule directs that when such statement has been approved by the District Court or Judge "it shall be filed in the Clerk's office and *become a part of the record for the purposes of the appeal.*" (Italics ours). When the District Court or Judge has certified a statement of evidence as "true, complete and properly prepared," and such statement has been filed in the Clerk's office as prescribed, the Circuit Court of Appeals can not take the position that no evidence is before it. In no case so circumstanced has this Court, or any Circuit Court of Appeals, ever disregarded the Record before it either in

whole or in part. If the Appellate Court be of opinion that the evidence in a given Record is too much or too little condensed, it doubtless has the power to direct the District Court as to how it desires the Record to be made up, such procedure being analogous to the ordering of a new trial because of any erroneous and prejudicial ruling made by the trial Judge; but the Appellate Court should not and cannot treat the certificate of the District Court or Judge as a nullity and refuse to consider the Appeal on the merits as though no evidence were presented by the Record. If it can, and should, by remittitur correct erroneous rulings of the District Judge when they relate to the merits of the case, how much more should this be done where the erroneous ruling relates only to matter of form? If the error in matter of form can be overlooked, such course should be taken. If it cannot be overlooked it should be corrected.

There is nothing in the language of the last paragraph of Section 863, Title 28, of the United States Code which limits the discretion of the District Judge in sending up "other evidence," and there is nothing in the language of Rule 75 to guide the District Judge in the exercise of his discretion as to how much or how little of the testimony may be included in question and answer form. That cases may arise where it is desirable that the entire record be so reproduced, has been recognized by this Court in *United States* v. *U. S. Steel Corporation*, 240 U. S. 442, and in *United States* v. *Motion Picture Patents Co.* (original No. 24, Oct. Term 1915) in both of which cases this court received with approval a record containing the whole testimony in its original shape.

The Court below, having tried the case, is best qualified to know what should be sent up. Upon this the decision of the District Judge should be final, or at least only reversible, and not fatal error.

The Circuit Court of Appeals also erred in penalizing petitioner for its alleged failure to comply with Rule 75 by affirmance of the decree upon that ground alone, when this Court

has itself in Rule 76 provided the penalty for non-compliance with Rule 75. The provision of Rule 76 referred to is that for any infraction of that or any *kindred rule* costs may be imposed upon offending solicitors as well as parties, as follows:

"76.

"RECORD ON APPEAL—REDUCTION AND PREPARATION—COSTS—CORRECTION OF OMISSIONS.

"In preparing the transcript on an appeal, especial care shall be taken to avoid the inclusion of more than one copy of the same paper and to exclude the formal and immaterial parts of all exhibits, documents and other papers included therein; and for any infraction of this or any kindred rule the appellate court may withhold or impose costs as the circumstances of the case and the discouragement of like infractions in the future may require. Costs for such an infraction may be imposed upon offending solicitors as well as parties.

"If in the transcript, anything material to either party be omitted by accident or error, the appellate court on a proper suggestion or its own motion, may direct that the omission be corrected by a supplemental transcript."

It says nothing about affirmance of judgments, dismissal of appeal, or any other such drastic punishment. None of the Equity Rules are more kindred one to another than Nos. 75 and 76.

> *In Re General Equity Rule 75*, 222 Fed. 884, 886; dissenting opinion of Alschuler, J., in *R. W. Clark Manufacturing Co. v. Tablet and Ticket Co.*, Exhibit B, page 35 *infra*.

If (as petitioner does not admit) Rule 75 is applicable to the certificate of evidence presented to the Circuit Court of Appeals in petitioner's cause, it necessarily follows that Rule 76 is also applicable. Either the record on appeal contained a proper certificate of evidence or it did not. If it did, the

Circuit Court of Appeals should have determined the appeal upon the merits. If it did not, there was clearly an "omission" within the purview of Rule 76, and the appellant should have been afforded an opportunity to correct the same by a supplemental transcript.

This Court having prescribed the penalty for violation of its own Rule, the Circuit Court of Appeals had no power to impose a different penalty, especially one of so much greater severity.

While this Court has suggested that it might dismiss an appeal for infraction of Rules 75 and 76 (*Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, 173, which was a direct appeal from the District Court to this Court), no decision has been found where it has even intimated that such destructive power can be exercised by the lower courts.

That the imposition of costs under Rule 76 is the appropriate, if not the only, penalty for infraction of Rule 75 is indicated in the following decisons:

Coxe v. *Peck-Williamson Heating & Ventilating Co.*, 208 Fed. 409;
Garland v. *Quinn*, 242 Fed. 267.

And see dissenting opinion of Alschuler, J., in *R. W. Clark Mfg. Co.* v. *Tablet & Ticket Co.*, Appendix B hereto, page 35 *infra*.

POINT V.

The Circuit Court of Appeals should at least have passed upon the issue of plaintiff's title upon which the whole case depended and as to which the evidence was wholly documentary and incapable of being reduced to narrative form.

The issue of title in the patents sued upon was vital to the determination of the controversy. All the evidence upon this issue was in the record, and entirely in documen-

tary form. This fact was completely overlooked or ignored by the Court below when it took the position that *no* evidence was properly before it.

At the trial, Plaintiff (Respondent here) offered in evidence certain documents purporting to show that it had title to the patents in suit. Objection was made that these documents did not show title. No oral testimony was offered upon this issue. The question of the sufficiency of the documentary title thus produced was argued both before the District Judge and before the Circuit Court of Appeals. The question is fundamental and goes to the Plaintiff's whole case. To the evidence upon this issue Equity Rule 75, requiring that the testimony of witnesses shall be stated only in narrative form, did not, and could not, apply.

The Circuit Court of Appeals in affirming the Decree of the District Court without examination of the evidence, appears to have overlooked the fact that upon this underlying issue their objection to the preparation of the transcript was not applicable. That objection and ruling was, that the District Judge had no power to direct all of the testimony to be reproduced in the exact words of the witnesses. But upon this point *there was no testimony*, and the Record (that is, the documents offered by the Respondent to support its title) was properly before the Court and the Court should have decided whether they showed title in the Plaintiff.

Although this state of affairs was pointed out to the Court of Appeals in Clause 6 of the Petition for Rehearing (R., 95) the ruling of the Court of Appeals was not changed, so that a decree of the District Court is thus affirmed by which nearly One Million Dollars is directed to be paid by the Defendant to the Plaintiff, by reason of its alleged ownership of two patents, although the sufficiency of the Plaintiff's title to these patents, as shown in the Record, is seriously in question and has been argued at length before the Circuit Court of Appeals, but has not been passed upon by that Court upon the sole ground that the testimony of certain witnesses

relating only to other issues, was not reduced to narrative form.

Merely to state this proposition is to show that the ruling of the Circuit Court of Appeals for the Seventh Circuit is untenable and has resulted in injustice to this Petitioner.

POINT VI.

Assuming that the Circuit Court of Appeals was correct in its interpretation of Equity Rule 75 and that it was within the power of said Court to refuse to consider the merits of the Appeal because of a failure to comply with the Rule as so interpreted; nevertheless, in view of all of the surrounding circumstances, the said Circuit Court of Appeals failed in this case to exercise a sound discretion in refusing to afford Petitioner the opportunity to comply with Equity Rule 75, for which Petitioner asked, as soon as the interpretation placed upon it by the Circuit Court of Appeals was made clear.

The failure in Petitioner's case to exercise the sound discretion referred to subjects it to peculiar hardship:

(1) The Circuit Court of Appeals for the Seventh Circuit has without warning reversed its practice of many years' standing which petitioner followed in good faith, and on the best advice it could obtain, and, in so doing, penalized this petitioner by the affirmance of a judgment against it for nearly $1,000,000 without giving it an opportunity to comply with the requirements of said Court as enounced for the first time in petitioner's case.

(2) The said Court in a number of other cases, having rendered decisions based upon that in petitioner's case, has in all of those cases, where application therefor

was made, by appropriate orders afforded opportunity to the appellants to conform to its new ruling. In petitioner's case alone has such opportunity been denied.

To appreciate the hardship of this ruling consideration must be given to

(a) *The practice in the Seventh Circuit prior to the decision in this case;*

(b) *The history of this particular record.*

(a) *The practice in the Seventh Circuit prior to the decision in this case:*

The usual and well recognized practice in the Seventh Circuit, up to the time of the decision in this case, had been to consider appeals, especially in patent causes, upon records containing uncondensed transcripts of the evidence, the District Judge usually so directing.

A search of the records of the Circuit Court of Appeals for the Seventh Circuit for over five years immediately preceding the filing of the petition for rehearing discloses over one hundred cases in which certified transcripts of all, or substantially all the evidence, in question and answer form, were brought before that Court and considered without objection by it. These cases are listed in the record at pages 101 to 110. They evidence a practice consistently adhered to for many years past. In several of them the judges who entered orders expressly directing that all of the testimony be reproduced in the exact words of the witnesses were of those who in the instant case have denied the power of the court to make such an order. We instance the following:

Bestwall Manufacturing Co. v. *U. S. Gypsum Co.*, No. 3693, November 4, 1925 (Judges Alschuler, Evans and Anderson);

Wirebounds Co. v. *Gibbons*, No. 3650, December 11, 1925 (Judge Evans);
Fairbanks, Morse & Co. v. *American Valve & Meter Co.*, No. 3776, May 17, 1926 (Judge Evans).
(Record, pp. 92-3, 109.)

The opinion here under review was announced December 13, 1926. Following it a number of other appeals were similarly dismissed. One of these was *R. W. Clark Manufacturing Co.* vs. *Tablet & Ticket Company*, in which Judge Alschuler (who did not sit in the instant case) took part and handed down a dissenting opinion in which he stated with great emphasis that the previous practice in the Seventh Circuit had been to consider appeals and dispose of them on the merits upon transcripts in which, by order of the District Judge, the testimony was sent up without condensation (*infra*, p. 35).

This opinion and the conflict of view within the Court were the subject of wide discussion among the Patent Bar (as has already been brought to the attention of this Court).

In the *Clark* case a petition for rehearing was granted and the opinions referred to above are not reported. But, in another case (*Fairbanks, Morse & Co.* v. *American Valve & Meter Co.*, 18 Fed. (2nd), p. 716), the same conflict of opinion occurred and Judge Alschuler's dissent refers to his opinion in the *Clark* case as the full statement of his reasons for dissent (p. 718). We must, therefore, look to that opinion and as it has not been published, we print it as Appendix B to this Brief, and the majority opinion in the *Clark* case as Appendix A.

In his opinion Judge Alschuler states, referring to the dismissal of an appeal for infraction of Rule 75 as to condensation of the Record, that "this court's long acquiescence in the practice here followed makes it highly inequitable here to impose the *capital penalty* of affirmance without first affording opportunity to comply with the rule, *in whose long*

non-observance this court has, at least, impliedly, seemed to invite litigants to continue." (Italics petitioner's.)

Judge Alschuler's long experience of the practice of the Court over which he presides gives this statement as to the facts peculiar force, and neither the other Judges of his Court nor anyone else has denied the facts thus stated by him. They are confirmed by affidavits in this Record (R. 111-118), but in view of the statement of the President Judge of the Court, confirmation is scarcely called for.

Judge Alschuler's opinion (except for a slight inadvertence presently to be noticed) is a convincing and complete refutation of the reflections upon Petitioner's course of action made in the opinion in Petitioner's case. That learned Judge unwittingly fell into error in asserting that counsel for the appellee in this case (in which he did not sit) "insistently moved and urged dismissal of the appeal because of non-compliance with the rule."

As we expect to show, petitioner's counsel had every reason to believe that they were following the approved practice in the Seventh Circuit, and nothing was said or done to indicate the contrary to them until the Court announced its decision. We further submit that the history of this record which follows shows that the distinction drawn by Judge Alschuler between the *Clark* case and this; viz., that there was a stipulation in the *Clark* case and none in this, is immaterial.

It will be noted that neither the opinion in petitioner's case, nor the prevailing opinion in the *Clark* case, denies or attempts to controvert Judge Alschuler's statement of what the practice in the Seventh Circuit had always been.

It is true, as stated by Judge Page in his opinion in the present case, that since the promulgation of Equity Rule 75 "the Supreme Court and many courts of appeal have pointed out the purpose of the Rule and the necessity of observing it". But all of the decisions cited were in other circuits. In circuits where the Courts of Appeals have plainly announced their interpretation and application of the Rule (such as the

Sixth Circuit *In Re General Equity Rule* 75, 222 Fed. 884, and the Fifth Circuit in *Buckeye Cotton Oil Company* v. *Raglasd*, 11 Fed. (2d) 231), counsel have been zealous, as soon as the Courts' views were so made known, to conform to the Rule as thereby interpreted. The complaint of this petitioner is not merely that the Circuit Court of Appeals for the Seventh Circuit has adopted an erroneous construction of the Rule (although it so contends) but that, after fourteen years of acquiescence in one construction, to which petitioner studiously endeavored to conform, it has over night adopted the directly opposite construction, and enforced the latter against petitioner alone of all the appellants before it, by refusing to grant petitioner an opportunity to comply with the new revelation which has thus suddenly been vouchsafed it.

(b) *The history of this particular record:*

The record further establishes that petitioner's counsel, far from having any disposition to violate a rule of this Court or of the Circuit Court of Appeals, have taken throughout the utmost pains to present their record in the form which they believed would be most acceptable to the latter Court.

The affidavit of Henry N. Paul, one of petitioner's counsel (R., 111-115) shows in detail the history of this record. He shows that this very point, as to whether the testimony should be certified in question and answer form, was the subject of most careful consideration, and that he relied upon the advice of his senior local counsel, Mr. Edward Rector of Chicago (now deceased), who advised that in cases of this character in the Seventh Circuit it was preferable and usual to have the entire testimony so certified (R. 111, 117).

Following this advice a *praecipe* was filed with the Clerk of the District Court and served upon the attorneys for the appellee on April 24, 1925, directing the certification of the entire oral testimony in question and answer form (R. 42).

No objection was ever made by appellee to this praecipe, **nor did it ever file or serve any counter *praecipe*.**

On November 9, 1925, appellant moved the Circuit Court of Appeals to separate and divide the argument. Appellee opposed this motion upon a number of grounds, one of which was that the transcript of the record was not stated in simple and condensed form (R. 56). Appellant's motion was denied, but not upon the ground last mentioned, which was not referred to by the Court (R. 57-8).

Thereupon appellee moved to strike from the transcript of the record all the evidence taken on the trial upon certain issues, one of the grounds being that the record lacked a proper certificate by the lower court. *But no point respecting the condensation of the record* was made upon this motion (R. 52-54).

This motion to strike having been held in abeyance by the Court, petitioner on January 4, 1926, moved the Circuit Court of Appeals for an order remitting the certified transcript of record to the District Court for the purpose of obtaining a certificate of evidence (R. 58). This motion was fully argued. The printed transcripts were before the Court. *No suggestion or hint was given by the Court to counsel that if the record were sent back the Court would prefer to have the testimony of the witnesses stated in narrative form.*

The Circuit Court of Appeals having ordered the transcript remitted to the District Court in order that a certificate of evidence to the trial record might be applied for and the record otherwise amended in certain minor points (R. 64) counsel for both sides appeared before the District Court, the hearing resulting in the order of March 30, 1926 (R. 48). *No objection whatever was made on the said hearing by appellee to the provision of the order directing the reproduction of the full testimony.*

It is therefore submitted that respondent must be considered as having waived whatever objection it might have had to the reproduction of the full testimony as fully and con-

clusively as if it had expressly stipulated to that effect. Its whole attitude amply justified petitioner's belief that the transcript of evidence was in form satisfactory to Respondent as well as to the Court.

Had Judge Alschuler sat at the argument of this case it is believed he would not have made the mistaken statement in his dissenting opinion in the *Clark* case (*infra*, p. 35) to the effect that the present case is to be distinguished from others by reason of the appellees' insistent objection to the uncondensed record.

Judge Page begins his opinion in this case with a somewhat lengthy statement of the dates of the various proceedings in this suit, from that of the interlocutory decree to that of the filing of the certificate to the record (R. 68-9). This recital seemingly calls for some notice, as it can have no purpose unless to emphasize the considerable lapse of time between the two dates specified. Therefore, although at the risk of exposing petitioner to the stigma of the proverb "*qui s'excuse s'accuse*," the following explanation is submitted of how the intervening time was spent, which it is believed will show the Court that the delay was not of petitioner's seeking and was absolutely unavoidable on its part.

On account of the expiration of the patents in suit before the trial, no appeal was possible until the accounting was concluded so that the appeal brought up the whole case on the merits, as well as the accounting proceedings.

The case was one of great complexity, especially the proceedings before the Master, which lasted for nearly four years, of which less than seven months was occupied by Petitioner's defense.

The Master certified that no time was lost in completing the accounting. After the case was argued before the District Court on exceptions, it was held by the District Judge under advisement from May 22, 1921, until March 3, 1924. After the appeal was taken, the record was printed under orders of the District Judge, and, under the Rules of that

Court, with such rapidity as was possible. It would have taken much less time to have printed all of the voluminous documentary exhibits. These exhibits were, however, greatly condensed and this occasioned some delay (R. 99, 113-115).

After the record had been filed in the Court of Appeals and set for argument, the Respondent made (R. 52-54) a purely technical objection based upon the omission of the Judge's signature in the certification of the record, necessitating the remitting of the whole record to the District Court for re-certification, thus delaying the argument for nearly a year.

It is with bad grace that Respondent complains of delay.

The appeal was fully argued on October 6, 1926, on the merits, and the Court at that time gave no intimation that it might decline to consider the evidence on account of the manner in which it was presented. Nor did the appellee, respondent here, make any motion at that time to dismiss the appeal because of failure of appellant to comply with Equity Rule 75.

Upon the argument appellee's counsel moved to dismiss the appeal upon five new technical grounds (R., 65), but none of these suggested any defect in the record by reason of its non-condensed form, nor was any reference made therein to Equity Rule 75. On the contrary the objections were chiefly to the effect that petitioner had too greatly condensed the proofs.

The decision, therefore, was as surprising to petitioner's counsel as it was embarrassing to them and their client.

In the prevailing opinion in *R. W. Clark Manufacturing Co.* v. *Tablet & Ticket Co.* (Appendix A), Judge Evans states that "For fourteen years the courts have appealed to the bar to comply with the rule" (Equity Rule 75), and that "they have scolded and they have threatened." The most diligent search has failed to disclose any reported case in which the Circuit Court of Appeals for the Seventh Circuit have made any such appeal, or have done any such threatening or scolding. They certainly did not threaten or scold coun-

sel in this case in this respect, either on the argument on the merits or at any other time prior to the rendering of the opinion. Nor have counsel been able to learn of any instance in which such language as the learned judge describes has been employed by that Court. The statements quoted are in direct conflict with Judge Alschuler's experience on that bench as stated by him in his dissenting opinion. As he says "this court has, at least impliedly, seemed to invite litigants to continue", the practice which it now condemns (Appendix B, p. 37). And, as shown above, Judge Evans had himself within a little over a year made or concurred in making at least three orders providing that the transcript of the record shall contain all of the testimony, reproduced in the exact words of the witnesses (*supra*, pp. 21-2).

In *Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, 173, Mr. Justice McReynolds suggests that one of the purposes of Equity Rules 75 and 76 was to protect litigants from unnecessary costs and delay. Judge Page uses language to the same effect in his opinion in the *Clark* case (Appendix A). With all respect, it is unhesitatingly averred that it is a matter of general experience that the time and labor necessary to reduce the testimony to narrative form impose upon a litigant far greater expense, as well as delay, than the printing of the testimony as it was given. But it is humbly submitted that the solicitude expressed is of doubtful value to the litigant when, having already incurred the expense of printing the full record, he is denied a hearing upon the merits of his appeal merely because he has assumed the expense and incurred the possible delay in question.

No decision, reported or unreported, of any Circuit Court of Appeals has been found prior to that in the case at bar, by which—as Judge Alschuler aptly calls it—"the capital penalty" of affirmance has been enforced for appellant's failure to comply with Rule 75. In a number of cases (in some of the other circuits) the Courts have perhaps "scolded", and sometimes even "threatened", but it is not found that the

"capital penalty" has ever previously been exacted by any Circuit Court of Appeals, without at least giving the offender his *locus penitentiae*. In most of these cases, after the "scolding", the Court has received and considered the record as presented.

United States v. *Motion Picture Patents Co.*, (D. C., E. Div. Penna., 1916) 230 Fed. 541, 542;

Carson v. *Hurt*, (C. C. A. 5th Cir. 1918) 250 Fed. 30;

Roxana Petroleum Co. v. *Rush*, (C. C. A. 5th Circ. 1924) 295 Fed. 844;

Buckeye Cotton Oil Co. v. *Ragland*, (C. C. A. 5th Circ. 1926), 11 Fed. (2nd) 231;

In re General Equity Rule 75, (C. C. A. 6th Circ. 1914) 222 Fed. 884;

L. A. Westerman Co. v. *Dispatch Printing Co.*, (C. C. A. 6th Circ. 1916) 233 Fed. 609;

Firestone Tire & Rubber Co. v. *Scherling*, (C. C. A. 6th Circ. 1916) 235 Fed. 891;

Garland v. *Quinn*, (C. C. A. 6th Circ. 1917) 242 Fed. 267;

Goodwin v. *United States*, (C. C. A. 6th Circ. 1924), 295 Fed. 856;

Brictson Mfg. Co. v. *Close*, (C. C. A. 8th Circ. 1922) 280 Fed. 297;

Wong Keow v. *United States*, (C. C. A. 7th Circ. 1914) 215 Fed. 95.

In other words, they have either, after the admonition, taken the record as it was and used it in considering the cause on the merits, or afforded the appellant full opportunity to conform it to what they considered the proper interpretation of the rule.

In such reported cases in which Equity Rule 75 (b) has been discussed as have resulted in affirmance of the judgment, there has invariably been found in the record some

defect other than non-condensation of the record upon which to base such affirmance.

> *Buessel* v. *United States* (C. C. A. 2nd Cir. 1919) 258 Fed. 811, 822;
> *Coxe* v. *Peck-Williamson Heating and Ventilating Co.* (C. C. A. 5th Cir. 1913) 208 Fed. 409;
> *Wade* v. *Leach* (C. C. A. 5th Cir. 1924) 2 Fed. (2nd) 367.

In the instant case, viewed in the light most unfavorable either to the petitioner or its counsel, there has at most been a mere error of judgment into which the District Judge also fell. Petitioner's counsel have throughout, in absolute good faith, earnestly endeavored to present to the appellate court a record in the form that they believed would be most acceptable to it, and which would enable its members most readily to assimilate its contents.

Reference is again made to Judge Page's assertion in the *Clark* case that "For fourteen years the courts have appealed to the bar to comply with this rule." Evidently, then, the purpose and effect of infliction of the "capital penalty" upon this petitioner alone is, in major part at least, to compel it to make a vicarious atonement for the faults of others. We believe that this Court will agree with us that the ends of justice do not require the affirmance without review upon the merits of a judgment carrying a liability of nearly a million dollars upon any such consideration. Such a penalty would be far too severe upon the litigant even if its counsel had intentionally disobeyed the rule.

Within a few days after its decision in petitioner's case, the Circuit Court of Appeals handed down decisions affirming the decrees in a number of other cases for noncompliance with Rule 75, basing its action in each case upon its decision in petitioner's case. As petitioner has heretofore shown this Court (Petition in Mandamus Application, p. 14, Exhibit E, pp. 46-8) in every one of these cases in which an

application has been made by the appellant, leave has since been granted to take appropriate proceedings for the purpose of making the record conform to the Circuit Court of Appeals' interpretation of the rule. In petitioner's case alone has such opportunity been absolutely and finally denied so far as that Court is concerned.

No reason whatever appears for the selection of this petitioner as the solitary victim upon whose head the alleged iniquities and transgressions of the entire bar of the Seventh Circuit are to be imposed.

In the majority opinion in the *Clark* case (Exhibit A, p. 34) Judge Evans says:

> "obviously it [Rule 75] cannot be enforced in one case and ignored in another."

It is difficult to see how this unimpeachable principle can be reconciled with his vote refusing to accord petitioner an opportunity to perfect its record, and his votes granting such permission in other cases originally decided upon the precedent laid down in this.

CONCLUSION.

To sum up, it is Petitioner's contention that even if the Circuit Court of Appeals had power to dismiss the appeal, or to affirm the decree against petitioner, upon the grounds stated in its opinion, it erred grievously in the exercise of its discretion in so doing without affording petitioner an opportunity to correct the unintentional failure of its counsel to comply with Equity Rule 75 as now sought to be interpreted and administered by it.

To cite Judge Alschuler again (Exhibit B, p. 36) we "have yet to find the first instance where a federal court of appellate jurisdiction has affirmed a decree in equity or dismissed the appeal for failure to make and to have certified a condensed statement of the evidence."

Judicial discretion, where it exists, is not an arbitrary and despotic power, to be exercised at the pleasure of the Court. "Discretion" means a sound and just discretion.

> *Ex parte Secombe*, 19 How. 9, 13;
> *Ex parte Bradley*, 7 Wall. 364, 377;
> *Farmers' Loan & Trust Co., Petitioner*, 129 U. S. 206, 213.

Finally, we quote once more from Judge Alschuler in the *Clark* case:

> **"I believe that in this case such opportunity could and should have been given, and that affirmance on the court's own motion, without reasonable opportunity for compliance, *is an unreasonable* exercise of the court's discretion." (Italics Petitioner's).**

It is thus that the senior judge of a court of high dignity characterizes the action of his associates in a cause precisely similar to petitioner's, which action has compelled it to apply to this overburdened Court for relief.

Respectfully submitted,

JOHN W. DAVIS,
CHARLES NEAVE,
SAMUEL E. HIBBEN,
HENRY N. PAUL,
EDWARD L. PATTERSON,
Counsel for Petitioner.

APPENDIX A.

IN THE

UNITED STATES CIRCUIT COURT OF APPEALS,

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM AND SESSION, 1926.

No. 3740.

R. W. CLARK MANUFACTURING COMPANY, Appellant, vs. TABLET & TICKET COMPANY, Appellee.	Appeal from the District Court of the United States for the Northern District of Illinois, Eastern Division.

December 22, 1926.

Before ALSCHULER, EVANS and ANDERSON, *Circuit Judges.*

EVANS, *Cir. J.:* This appeal involves the validity and the infringement of patent No. 1,207,711. It calls for an examination of the evidence disclosing the prior art and the alleged prior public use of the patented article. No question other than one of fact is involved.

There has been a total failure to comply with Supreme Court Equity Rule 75 in the preparation of the testimony. In short, there has been no effort made to condense or to eliminate unnecessary portions, or to put in narrative form the material testimony of the witnesses.

In view of the policy adopted by this court in *Barber Asphalt Paving Co.* v. *Standard Asphalt & Rubber Co.*, and

followed in other cases announced at this term, we can not review the record to ascertain whether the evidence supports the decree.

The Barber Asphalt case was announced in the belief that the only effective way to secure a compliance with this Rule 75 is to enforce it. And obviously it can not be enforced in one case and ignored in another.

It was the flagrant abuse of Equity Rule 75 that lead to the promulgation of this decision, an abuse that resulted in great delay and needless expense to the litigants, and to the imposition of an unfair burden on the court. The litigants have a right to expect the courts to relieve them of this unnecessary expense, and the unnecessary delay, which unavoidably follows an attempt to dispose of litigation in such an awkward and cumbersome manner. For fourteen years the courts have appealed to the bar to comply with the rule. They have scolded and they have threatened, and yet the records in patent suits have grown longer and longer, and are loaded more and more with useless documents and irrelevant testimony.

In almost all state appellate courts, a rule similar to this one exists and is enforced. The Federal courts enforce a similar rule respecting bills of exceptions in common law actions. *Jones* v. *G. & B. Sewing Machine Co.*, 131 U. S. App. cl; *Mueller* v. *Ehlers*, 91 U. S. 249.

This rule is followed generally in the federal courts save by a limited branch of the profession. We feel confident that once it is cheerfully accepted by this group, its advantages will be uniformly recognized.

The decree is affirmed.

APPENDIX B.

ALSCHULER, *Cir. J.*, dissenting: Assuming to follow the policy adopted in the Barber Asphalt Paving Company case (Dec. 13, 1926), and stating in the majority opinion herein that Rule 75 "cannot be enforced in one case and ignored in another," it seems that my brethren have concluded *sua sponte* to affirm the decree in this and all other equity appeals which we have heretofore heard and are pending for decisions, where the evidence necessary to be considered in deciding the cause appears in the transcript in question and answer form, without condensation and approval as required by Rule 75.

I cannot in this appeal, nor in others in like situation, give assent to affirmance of the decree, because only of transgression of the Rule.

While in Barber Asphalt the appellee insistently moved and urged dismissal of the appeal because of noncompliance with the rule, in this case, as in most, if not all the others, the transcript was prepared under stipulation of counsel for all parties, and consent of the trial judge. Here there is also a stipulated order of this court entered under my direction, permitting the use on this appeal of such transcript. The briefs were prepared and oral arguments made and heard evidently on the faith of counsel, as well as court, that the transcript was in this respect unobjectionable—or at least acceptable.

Notwithstanding the rule, the most usual practice in most districts of this circuit, in the preparation of transcripts for equity appeals—particularly in patent cases—has been for counsel to stipulate that an uncondensed shorthand report of the oral testimony be incorporated in the transcript, and for the trial judge, by order or endorsement on the transcript, to consent thereto; and so far as my judicial experience extends, and the reports indicate, this court has always heard such appeals and disposed of them on their merits, no ques-

tion as to observance of the rule being raised by court or counsel.

I can agree that the seemingly broad exception to the operation of Rule 75(b), viz: "save if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness," does not contemplate that by the trial judge's perfunctory assent to such stipulation of counsel, observances of the rule may be avoided; and, further, that such consent is usually an improvident and unwarranted application of the saving clause. *Firestone Tire, etc., Co.* v. *Seberling*, 235 Fed. 891; *Buckeye Cotton Oil Co.* v. *Ragland*, 11th Fed. (2d) 522. Also, that such order of consent by the Circuit Court of Appeals or any judge thereof, as was made in this case, is likewise improvident and objectionable and should not have been made.

I do not know what the practice in this respect has been in other circuits. That there have been transgressions with which they, as well as the Supreme Court, have dealt, the reported decisions indicate. But notwithstanding the fourteen years' existence of the rule, I have yet to find the first instance where a federal court of appellate jurisdiction has affirmed a decree in equity or dismissed the appeal for failure to make and to have certified a condensed statement of the evidence.

Indeed, without the statement by the Supreme Court in *Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, that in case of such transgression thereafter, that court will feel at liberty to penalize the transgressor "to the limit of our discretion—possibly by dismissal of the appeal", (which in that case was not done, but the 20,000-page uncondensed transcript considered on its merits), it might well have been doubted whether the consequence of noncompliance could properly extend beyond such penalization as might come through the awarding or withholding of costs. For Rule 76, after providing for the exclusion of immaterial parts of documents and papers, states: "and for any infraction of

this or any kindred rule the appellate court may withhold or impose costs as the circumstances of the case and the discouragement of like infractions in the future may require. Costs for such an infraction may be imposed upon the offending solicitors as well as parties." And which of the equity rules is more kindred to Rule 76 than 75?

But accepting affirmance or dismissal as a permissible consequence of noncompliance with Rule 75, the very fact that, as appears from the cases cited in the Barber Asphalt opinion, and in others, the courts did not impose it, but quite generally overlooked the transgression in the particular case, and determined it on its merits, makes it apparent that the manner and extent of penalization rests with the court wherein the appeal is pending.

My contention is, not that this court is without power in a proper case to impose dismissal or affirmance as a consequence of the infraction, but that this court's long acquiescence in the practice here followed makes it highly inequitable here to impose the capital penalty of affirmance without first affording opportunity to comply with the rule, in whose long non-observance this court has, at least impliedly, seemed to invite litigants to continue.

I believe that in this case such opportunity could and should have been given, and that affirmance on the court's own motion, without reasonable opportunity for compliance, is an unreasonable exercise of the court's discretion.

I believe this court has the power to make such an order, and the district judge thereupon to certify a proper statement of the record, notwithstanding the term has passed; and am in accord with the Sixth C. C. A. in its statement that where an appeal has been taken in apt time, the preparation of the record to comply with Rule 75(b) is a ministerial matter, to which the district court or judge may certify at any time, regardless of terms of court. *Re General Equity Rule* 75, 222 Fed. 884; also *Struett* v. *Hill*, 269 Fed. 247; *Sussex Land, etc. Co.* v. *Midwest Ref. Co.*, 294 Fed. 597.

Such course would cause some delay and expense, but the parties affected could not properly complain since by their stipulation, albeit made in good faith, they became the prime factors in transgression of the rule.

NOTE: The foregoing opinion, although not reported in the Federal Reporter, is referred to by Judge Alschuler as stating the reasons for his dissent in *Fairbanks, Morse & Co.* v. *American Valve & Meter Co.*, 18 Fed. (2nd) 716, 718.

[redacted]

IN THE

Supreme Court of the United States

October Term, 1934.

No. [redacted] 194

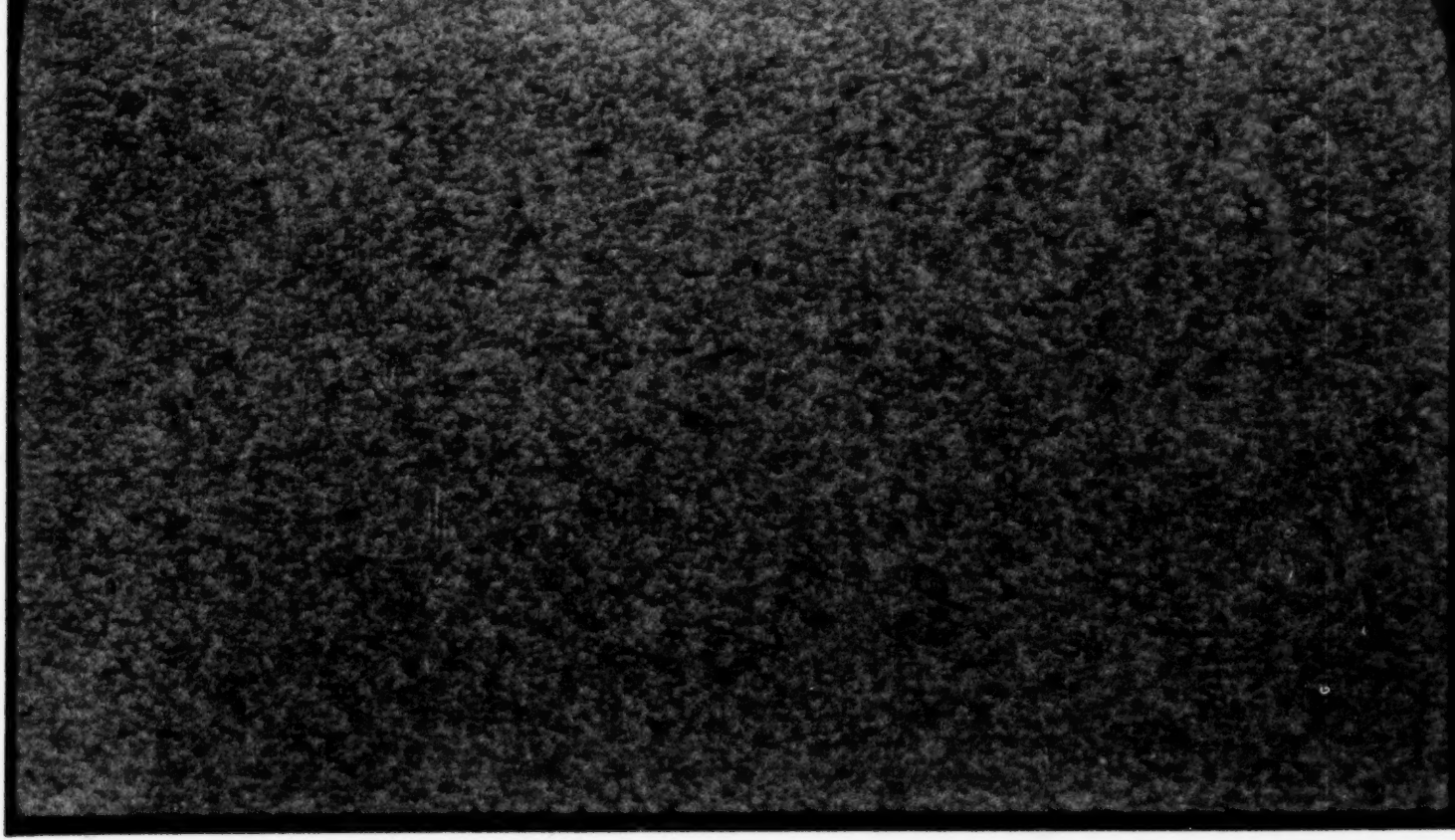
[redacted]

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

[redacted]

Counsel for Respondent.

[redacted]



SUBJECT-MATTER INDEX.

Page

1. Statement of Case 1

2. Summary of Argument 5

3. Argument:

(a) Point I. This case presents no public, special, or important question, or any question of the character which Rule 35 of this court indicates will be considered as a reason for granting a writ of certiorari 5

(b) Point II. Petitioner is not in a position to complain of the enforcement of Equity Rule 75 by the Circuit Court of Appeals because in November, 1925, it was notified of the respondent's position that the evidence could not be considered by that court on account of the non-compliance with that rule, and it made no effort to comply with it, but, on the contrary, sought to evade the same by having the judge of the District Court order all the evidence reproduced in the exact words of the witnesses, and not in narrative form 12

4. Conclusion 15

CASES CITED.

Houston v. Southwestern Bell Telephone Co., 259 U. S. 318 6

Newton v. Consolidated Gas Co., 258 U. S. 165 6

Patterson v. Mobile Gas Co., 271 U. S. 131 6

Re. Semaphoric Indicator Company 11

R. W. Clark Manufacturing Co. v. Tablet & Ticket Co. 11

United States v. Adams, 9 Wall. 554 13

United States v. Motion Picture Patents Co., 230 Fed. 531 8

IN THE

Supreme Court of the United States

OCTOBER TERM, 1926.

No. 969.

BARBER ASPHALT PAVING COMPANY, *Petitioner*,

vs.

STANDARD ASPHALT AND RUBBER COMPANY, *Respondent*.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

STATEMENT OF THE CASE.

This is an ordinary patent infringement case, which was begun February 2, 1915 (Rec. p. 7). An interlocutory decree was entered on February 20, 1917 (Rec. p. 1217), and a final decree on April 30, 1924 (Rec. p. 4676).

An appeal was allowed and citation issued on July 1, 1924 (Rec. p. 4684). Twelve 30-day extensions of time for filing the record in the Court of Appeals were granted (Rec. pp. 4877-4882), the last expiring on July

26, 1925. One copy of the transcript of the record was filed in the Circuit Court of Appeals on July 3, 1925. The required additional copies were not filed and served, however, until November 2, 1925. The transcript did not comply with Equity Rule 75, in that the evidence was set forth in full—the testimony of the witnesses not being in narrative form—and there was no certificate of the judge of the court below.

On November 9, 1925—one week after a copy of the record was served on respondent—the latter raised the question as to whether the evidence and testimony should not be stricken from the record and disregarded by the court, because of the lack of the said certificate, and because the evidence had not been stated in simple and condensed form, but in full, and the testimony of witnesses had not been reduced to narrative form (Rec. pp. 4967-4970). The latter question was specifically raised in the following language (Rec. p. 4970):

> "4. The purported evidence appearing in the purported transcript of the record filed herein is not stated in simple and condensed form and the purported testimony of witnesses is not stated in narrative form, but on the contrary thereof, said purported evidence and testimony is set forth in full, all contrary to Rule 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof all of said evidence and testimony should be stricken from the purported transcript of the record in said cause and disregarded by this Court."

On January 4, 1926, the petitioner filed a motion in the Circuit Court of Appeals for an order remitting the transcript of record to the District Court for the purpose of permitting that court "to append its Cer-

tificate of Evidence to that part of the record which sets forth the testimony and other evidence and proceedings had and taken before the said District Court," etc. (Rec. p. 4978.)

On January 29, 1926, the Circuit Court of Appeals granted the petitioner's motion for the remission of the transcript of record (Rec. p. 4985).

A month and a half thereafter (March 18, 1926), the petitioner made a motion in the District Court to have that court "append its Certificate of Evidence to that part of the record which sets forth the testimony and other proceedings had and taken before the said District Court on the trial of this cause, and for such further amendment, correction, or amplification as your Honor may see fit to make respecting the certification of the record, * * *" (Rec. p. 4909).

On March 30, 1926, the District Court made an order containing, among others, the following provision:

> "*And upon the request of the said Defendant, the said Barber Asphalt Paving Company,* the Court hereby directs that *all the testimony* in this cause be reproduced in the exact words of the witnesses, and not in narrative form." (Rec. pp. 4913-4915.)

The clerk of the District Court (not the judge) thereupon, on April 7, 1926, attached his certificate to the transcript of the record, consisting of ten printed volumes (Rec. p. 4959).

On April 13, 1926 (Rec. p. 4987) the argument of the case was set for April 29, 1926, but on April 22nd, on motion of petitioner, the argument was carried over until October 6, 1926 (Rec. p. 4988).

On the latter date, respondent moved to dismiss the

appeal for the reasons set forth in its motion of November 9, 1925, and upon the further ground that the record did not contain a number of the exhibits which it had offered in evidence (Rec. p. 4989). This motion was heard, as was also the case on its merits, on that day (Rec. p. 4991).

On December 13th, the Circuit Court of Appeals handed down its decision, to the effect that the evidence was not properly before it, and that therefore the decree should be affirmed (Rec., pp. 4992-4998). The opinion of the court reviews the facts and decisions thoroughly.

On December 31, 1926, petitioner presented a petition for rehearing and a motion to vacate the order of affirmance, and for an order "permitting the District Court for the Southern District of Illinois to *now* entertain procedure in accordance with Rule 75 (b) to bring about a statement of the evidence in this cause in simple and narrative form" (Rec. pp. 4999-5048). This motion was opposed by respondent (Rec. pp. 5051-5132) and on January 24, 1927, was denied (Rec. p. 5132).

Over twelve years have expired since the suit was begun, ten years since the interlocutory decree was made, and nearly three years since the final decree was entered.

The record is in ten volumes and contains 5139 printed pages.

SUMMARY OF ARGUMENT.

I.

This case presents no public, special, or important question, or any question of the character which Rule 35 of this court indicates will be considered as a reason for granting a writ of certiorari.

II.

Petitioner is not in a position to complain of the enforcement of Equity Rule 75 by the Circuit Court of Appeals because in November, 1925, it was notified of the respondent's position that the evidence could not be considered by that court on account of the non-compliance with that rule, and it made no effort to comply with it, but, on the contrary, sought to evade the same by having the judge of the District Court order all the evidence reproduced in the exact words of the witnesses, and not in narrative form.

ARGUMENT.

POINT I.

THIS CASE PRESENTS NO PUBLIC, SPECIAL, OR IMPORTANT QUESTION, OR ANY QUESTION OF A CHARACTER WHICH RULE 35 OF THIS COURT INDICATES WILL BE CONSIDERED AS A REASON FOR GRANTING A WRIT OF CERTIORARI.

Four reasons are advanced in the petition and supporting brief for the allowance of the writ. None of them, we submit, are of the character which this court

has indicated, in Rule 35 (5), are sufficient for that purpose. We will briefly discuss them.

(a) The first reason (Point I of the brief) is that the Circuit Court of Appeals has decided an important question of federal law which has not been, but should be, settled by this court. *The question is not stated.*

If the question is whether Rule 75 shall be enforced, or if it is whether the appellate court may decline to consider a record not made up in compliance with this rule, it has been answered by this court in the affirmative.

It is conceded that the equity rules have the force of statutes and that Circuit Courts of Appeals and District Courts have no power to dispense with them. It is not denied that the transcript of record in the case at bar is in direct conflict with that part of Equity Rule 75(b) which provides that

> "The evidence to be included in the record *shall not* be set *forth in full* * * * the testimony of witnesses being stated *only* in narrative form * * *"

In *Newton v. Consolidated Gas Co.*, 258 U. S. 165, this court admonished counsel to observe the rule and the courts "to enforce performance of this plain duty" and stated that the failure so to do might in the future result in "the dismissal of the appeal."

In *Houston v. Southwestern Bell Telephone Co.*, 259 U. S. 318, this court actually declined to consider an assignment of error because of the failure to observe Equity Rule 75(b), and Supreme Court Rule 21.

In *Patterson v. Mobile Gas Co.*, 271 U. S. 131, 132, Mr. Justice McReynolds said:

> "The record in this cause has been made up with such disregard of the rules that we cannot undertake to examine the evidence or to discuss

seriatim the thirty-four jumbled assignments of error. *It would be permissible to dismiss the appeal* (Newton v. Consolidated Gas Company, 255 U. S. 165, 174);"

The compliance by a Circuit Court of Appeals with the instructions of this court, and in the exact manner pointed out by this court, can hardly be a reason for the allowance of a writ of certiorari.

There is a suggestion in petitioner's brief that there is a variance among the Circuit Courts of Appeals as to requiring compliance with Equity Rule 75(b). Even if this were so, it would not present a question which this court has indicated in Rule 35 would be a ground for granting a writ of certiorari. That one Circuit Court of Appeals insists upon compliance with Rule 75(b) and another dispenses therewith does not present a case of conflict of decision between different Circuit Courts of Appeals.

(b) The second reason (Point II of the brief) is that because the District Court, after the question had been raised in the Circuit Court of Appeals, directed, *on the request of the petitioner*, that "*all the testimony*" be reproduced in the exact words of the witnesses and not in narrative form, the Circuit Court of Appeals was without power to do the very thing which, as before stated, this court in two cases had indicated should be done, and in one case actually did do, for failure to comply with Equity Rule 75(b). The mere statement of this proposition furnishes its refutation. Surely the rules of practice in equity causes which were promulgated by this court cannot be circumvented so easily. As stated by the Circuit Court of Appeals in the case at bar:

"The order is not in harmony with the spirit of Rule 75."

There is a vast difference between ordering the reproduction of various parts of the testimony in the exact words of the witnesses as Rule 75(b) permits and in attempting to circumvent, and thus nullify, the rule by directing reproduction of *all* of the testimony. The latter is exactly what the rule says shall not be done.

In *U. S. v. Motion Pictures Patents Company*, 230 Fed. 531, cited in petitioner's brief, the court passed upon this very proposition and said (page 542):

> "To apply the exception, under which any part of the testimony may be set forth in full, to the whole testimony, would be an evasion of the duty imposed by the rule."

Equity Rule 76 is also invoked under this point. It manifestly has no application to a situation such as is presented in this case. Nothing was "omitted" from the transcript of the record "by accident or error." At first petitioner made no effort whatsoever to comply with Rule 75. When it was notified that the respondent's position was that it had not complied with that rule and that therefore the Circuit Court of Appeals should not consider the evidence, it did not, even then, attempt to comply with the Rule, but on the contrary sought to evade it by having the District Judge do that which the rule expressly forbids. It gambled that it could circumvent the rule. It lost, and now after nearly a year and a half has expired since its attention was called to the fact that the record was not in accordance with the rule, it cannot be heard to invoke Rule 76.

Moreover, the latter rule has no application to a case of this kind because it only applies to cases where something has been *omitted* from the record.

(c) The third reason, in connection with Point III of the brief, presents two propositions;

(1) It is contended that the Act of February 26, 1919 (40 Stat. L., 1181) compels the Circuit Courts of Appeals to decide cases upon their merits, notwithstanding the transcript of the record is made up contrary to the express direction of Equity Rule 75.

If that Act is to be interpreted as argued by petitioner, then the rules of this court and the Circuit Courts of Appeal relating to the character of the records and briefs, such as Rule 25 of this court, are of no effect.

It is manifest, however, that this court has not considered the Act as Applicable to cases where there is a failure to comply with Equity Rule 75. (Newton v. Consolidated Gas Company, *supra;* Houston v. Southwestern Bell Telephone Company, *supra;* Patterson v. Mobile Gas Company, *supra.*)

All of these cases were heard and decided subsequent to the Approval of the Act in question.

(2) It is next urged that the most an appellate court can do, where Equity Rule 75 has been flagrantly disregarded, is to impose costs upon the appellant.

A full answer to this argument is found in what this court said and did respectively in the before cited cases.

Notwithstanding petitioner has argued that the Circuit Courts of Appeals could ignore Rule 75, it now argues that the equity rules are absolutely binding upon them, and that consequently, the only remedy which can be applied by those courts for an infraction of Equity Rule 75 is that provided by Equity Rule 76 *i. e.*, imposition of costs.

In order to escape the contrary effect of what was said and done by this court in the cases before cited,

petitioner suggests that this Court has power to waive, or modify, the equity rules, and presumably did so in the cases last cited; in other words, this court may grant a different and far more drastic remedy than the Circuit Courts of Appeals. The rules, however, make no distinction as to the remedies which may be granted by the different appellate courts, and no reason is suggested as to why there should be any difference.

Moreover, if Rule 76 is applicable to violations of Rule 75, (which is denied) the remedy provided in Rule 76 is not exclusive, and we think that this court has so determined in the cases before cited. It is not to be presumed that this court would have refused to consider evidence in Houston vs. Southwestern Bell Telephone Company, if the only remedy contemplated for the infraction of the rule there complained of was that provided for in Rule 76.

(d) The fourth and last reason (Point IV of the brief) is that the appellate court did not exercise a "sound discretion" in doing what this court indicated it might itself do, and what it afterwards did do in a like situation.

But quite apart from this, the failure to exercise a "sound discretion" is not reversible error; much less is it a ground for the issuance of a writ of certiorari by this court. It is not claimed that there was a *clear abuse* of discretion. No such argument could have been advanced under the circumstances of this case.

The main reason urged in support of the contention that there was a failure to exercise a "sound discretion" is that the Court of Appeals for the Seventh Circuit had not previously required a strict compliance with Equity Rule 75.

Reference is made to an examination which was made

"immediately preceding the filing of the petition for rehearing" of the records in that Circuit Court of Appeals in other cases. We are not advised of the circumstances under which the transcripts of record were made up in those cases. It may very well be that counsel in those cases stipulated that the evidence should be reproduced in full and not in narrative form. A vastly different situation is present in the case at bar.

Whatever the petitioner may have been advised has been the practice in the Seventh Circuit, is of no materiality, because a year before the case was argued petitioner's attention was expressly directed to the fact that the respondent would contend that the court should not consider the evidence in the transcript of the record, because it did not comply with Rule 75. In the face of this objection the petitioner did not attempt to comply with Rule 75, but sought to evade it.

It would appear that petitioner also complains that the court elected to commence the strict enforcement of this rule against petitioner, rather than against some other appellant.

There would appear to be much less reason for favorably considering this petition than for favorably considering the petition to this court for a mandamus by *Semaphoric Indicator Company and Semaphoric Indicator Sales Company*, which was denied by this court on February 28, 1927. As appears from the petition filed in this court, the appeal in that case was dismissed for failure to observe Rule 75 (b), notwithstanding that the trial judge and all counsel agreed that the transcript of the record should contain the evidence in full.

The dissenting opinion of Judge Alschuler in *R. W. Clark Manufacturing Company vs. Tablet and Ticket Company*, printed in full as Appendix D to petitioner's

brief, points out the distinction between the case at bar and other cases in which the Circuit Court of Appeals of the Seventh Circuit refused to consider transcripts which were not made up in compliance with Rule 75, as follows:

> "While in Barber Asphalt the appellee *insistently moved and urged dismissal of the appeal because of noncompliance with the rule*, in this case, as in most, if not all the others, the transcript was prepared under stipulation of counsel for all parties, and consent of the trial judge."

POINT II.

PETITIONER IS NOT IN A POSITION TO COMPLAIN OF THE ENFORCEMENT OF EQUITY RULE 75 BY THE CIRCUIT COURT OF APPEALS, BECAUSE IN NOVEMBER, 1925, IT WAS NOTIFIED OF THE RESPONDENT'S POSITION THAT THE EVIDENCE COULD NOT BE CONSIDERED BY THAT COURT ON ACCOUNT OF THE NON-COMPLIANCE WITH THAT RULE, AND IT MADE NO EFFORT TO COMPLY WITH IT, BUT ON THE CONTRARY, SOUGHT TO EVADE THE SAME BY HAVING THE JUDGE OF THE DISTRICT COURT ORDER ALL THE EVIDENCE REPRODUCED IN THE EXACT WORDS OF THE WITNESSES, AND NOT IN NARRATIVE FORM.

Even if the court should be of the opinion that the refusal of a Circuit Court of Appeals to consider a transcript of record not made up in accordance with Equity Rule 75 (b) is a sufficient reason for issuing a writ of certiorari in a case where an appellant had

innocently failed to comply with the rule, that would not help the petitioner here, because of the peculiar circumstances and facts of this case.

As before pointed out, the petitioner was notified within a week after a copy of the transcript of the record was served upon respondent that it was the latter's position that the Circuit Court of Appeals should not consider the evidence, because the record was not made up in accordance with the rule. Petitioner took no action for two months, and then applied for and procured an order remitting the transcript of the record to the District Court. It waited for nearly two months more before taking any action in that court. It then did not seek to comply with, but to circumvent the rule by having the judge of the District Court direct that "*all the testimony* be reproduced in the exact words of the witnesses." It was not until after the Circuit Court of Appeals had held that it would not consider the evidence in the condition in which it was presented, that it made any effort whatever to comply with the rule. In the meanwhile, over a year had expired since its attention was first called to the infraction of the rule and to the respondent's position in respect thereto. The remarks of Mr. Justice Nelson in United States vs. Adams, 9 Wall., 554, are strikingly applicable to this phase of the case. He said:—

> "The remedy, in case the Court of Claims falls into a mistake as to the finding of the facts, is familiar. It is by an application to this court to remit the case back for correction, if it be shown, satisfactorily, that a mistake has been committed.
>
> "In the case before us, it is admitted that the mistake was known to the party and his counsel in season to have had it corrected before hearing;

but, relying on its immateriality, no step was taken to have the correction made. We do not doubt but that this opinion was honestly entertained, and that this motion is made in good faith; but it is impossible not to see that, if granted, the precedent might lead to great abuse and delay in the hearing of these cases. We should allow either party to lie by till the cause was decided and the opinion delivered, and then to apply for the correction, as the exigency of the case might require, or as the materiality of the fact might appear from the ground upon which the decision was placed. On an appeal, the parties were entitled to have all the facts proved in the case before the court below, in the judgment of the court, truly found, and stated in the record, that either deemed material to the decision; and, as we have seen, the remedy is ample to correct any mistakes committed, if applied for prior to the hearing in this court. The court is not willing to go further, and permit the remedy to be applied after the case is heard and decided, as we fear that such a precedent would work greater injustice and hardship, in its general use and application, that that which may exist in any particular case."

This litigation has lasted over 12 years. More than 10 years have elapsed since the interlocutory decree was made, and nearly 3 years since the final decree was entered.

The petitioner has been found guilty of infringement. During all this time the respondent has been deprived of the money which the final decree adjudged that it was entitled to receive. Surely under these circumstances the discretion of this court should not be exercised in favor of a petitioner who has flagrantly ignored and then attempted to circumvent, over the objection of the respondent, a rule of practice which

this court has considered so important as to justify it in refusing to consider a record not made up in accordance therewith.

CONCLUSION.

It is respectfully submitted that the petition for a writ of certiorari should be denied.

Respectfully submitted,

ALEXANDER F. REICHMANN,
THOMAS G. HAIGHT,
FRANK L. BELKNAP,
WILLIAM F. HALL,
Counsel for Respondent.

Office Supreme Court,
FILED
SEP 24 1909

In the

Supreme Court of the United States.

October Term, 1909.

No. 194.

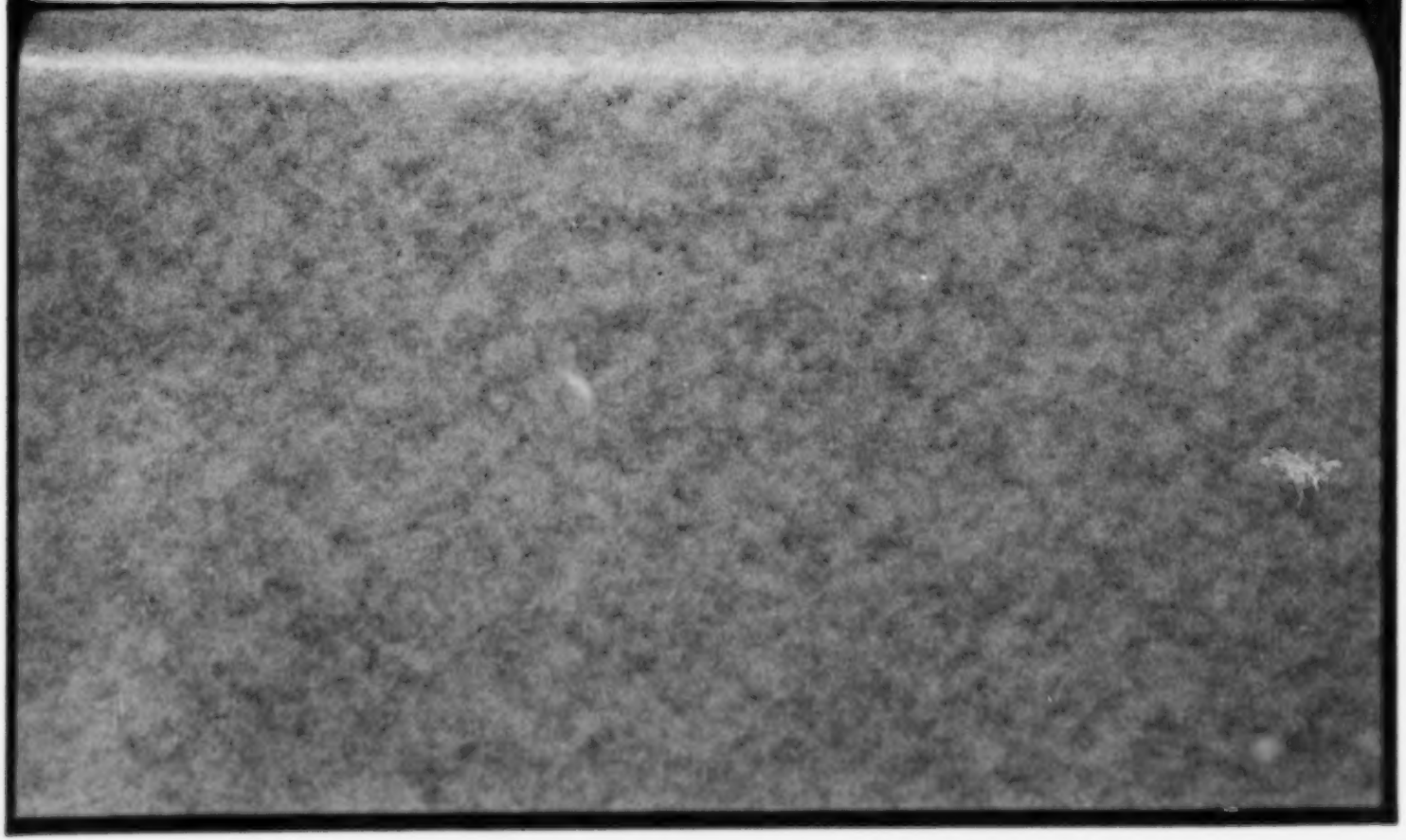
BARBER ASPHALT PAVING COMPANY,
Petitioner,

against

STANDARD ASPHALT & RUBBER COMPANY,
Respondent.

BRIEF FOR RESPONDENT.

Charles Evans Hughes,
Alexander P. Brownell,
Thomas G. Haskell,
Frank L. Dewey,
William F. Hall,
Counsel for Respondent.



SUBJECT INDEX.

PAGE

I. Supplemental statement of the case..... 1

II. Reply to points urged by petitioner..... 17

1. Petitioner's Point I 17

(a) Petitioner's contention as to the validity of Equity Rule 75 is wholly unsound and due to a misconception of the proper functions of a court of equity and the scope of its inherent power with respect to its control over its records and its decrees and a misunderstanding of the rules of the Circuit Court of Appeals of the Seventh Circuit, since the quotation in the brief of petitioner about certificates of evidence was not in the rules when this appeal was perfected. The rule then in force related only to writs of error, and by its Rule 8 the Circuit Court of Appeals adopted the practice of the Supreme Court..... 17

(b) Petitioner's contention that it complied with all the rules of the Circuit Court of Appeals in this case is incorrect and the rule quoted by petitioner was not in effect when this appeal was perfected.. 27

(c) Petitioner's contention that Section 865 of Title 28 of the United States Code (Act of February 13, 1911; 36 Stat. 901) limits the power of this court to prescribe only the physical form of the printed transcript of record of the lower court and that Congress by that act delegated the power of condensation of the record to the Circuit Court of Appeals is a narrow and unjustifiable construction of the Act..... 29

2. Petitioner's Point II 31

The Circuit Court of Appeals could not properly have held that there was any evidence properly before it because petitioner failed to have the evidence properly certified to by the judge of the District Court and because the record in this case was not "true, complete and properly prepared" in any sense of the words 31

3. Petitioner's Point III 40

The failure of the petitioner to comply with Equity Rule 75 was not a mere technical defect and it materially affected "the substantial rights" of respondent 40

4. Petitioner's Point IV 42

The District Court lacked power to enter its belated order directing all the testimony to be reproduced in the exact words of the witnesses 42

The flagrant violation of Equity Rule 75 by petitioner is not a mere question of error or mistake, but a deliberate flaunting of the rule. The Circuit Court of Appeals' affirmance of the judgment of the lower court is quite in line with the general practice and is not contrary to Equity Rule 76 42

5. Petitioner's Point V 48

The Circuit Court of Appeals should not have passed upon the issue of plaintiff's title because there was no way for it to know, from the evidence properly before it, whether "all the evidence upon this issue was in the record and entirely in documentary form" 48

Moreover, there was oral evidence introduced which bore materially upon the question of the title and right of respondent to maintain this suit 48

6. Petitioner's Point VI..... 50

In view of petitioner's defiance of the plain language of Equity Rule 75 for over a year after full notice of its violation, the Court of Appeals not only did not abuse its discretion, but could not, under the circumstances, have done otherwise than affirm the judgment of the lower court without doing grave injustice and injury to respondent 50

III. Points presented and urged by respondent.... 73

Point I 73

The Circuit Court of Appeals properly refused to consider the purported evidence because it had not been condensed and put in narrative form, in violation of Equity Rule 75 73

Point II 74

The purported evidence in the transcript of the record was never, prior to the filing of the transcript in the Court of Appeals on July 3, 1925, presented to or approved by the District Court or judge, nor was the same filed, upon and after such approval, in the office of the clerk of the District Court, and thereby made a part of the record of the District Court, as specifically required by Equity Rule 75.... 74

In consequence, the clerk of the District Court had no right or authority to include this purported evidence whether in uncondensed or narrative form in the transcript of the record filed in the Circuit Court of Appeals, and the Court of Appeals would have had no right to consider the same 74

Point III 75

The order of March 30, 1926, entered by the District Court at the request of appellant (petitioner here), approving the purported evidence in the transcript of the record, was ineffective because, as a

matter of law, such approval could not be evidenced by an independent order such as that of March 30, 1926, but required the certificate and signature of the District Court or judge to be attached or affixed to the purported evidence in the transcript itself for the purposes of proper identification and authentication, which, however, the District Court or judge did not do 75

The approval of a certificate of evidence, endorsed and identified by the certificate and signature of the trial judge attached thereto, is indispensable to its being filed and made a part of the record in the cause, and in the absence of this an alleged certificate of evidence cannot be included in and made a part of the transcript of such record by the clerk of the court and cannot be considered by the Court of Appeals 75

Point IV 78

Entirely aside from the question whether such approval could be properly evidenced by the independent order of March 30, 1926, or required the certificate and signature of the judge to be attached or affixed to such evidence in the transcript, as we contend, the purported evidence in the transcript never was made a part of the record of said District Court by filing the same in the office of the clerk of the District Court after the entry of the order of March 30, 1926, as required by Equity Rule 75, even if the order of March 30, 1926, be treated as an approval, which we contend it cannot, within the meaning of Equity Rule 75 78

Because of the foregoing considerations therefore, the purported evidence never was properly or effectively made a part of the transcript of the record filed in the Circuit Court of Appeals, and hence, was of necessity properly disregarded by that court 78

Point V 80

The Court of Appeals also properly and necessarily refused to consider the evidence because, notwithstanding the recital in the order of March 30, 1926 (Rec., 49) that "Pages 24 to 4872, inclusive, of the transcript of record heretofore certified by the clerk of this court on June 29, 1925, amended and supplemented as herein directed, are hereby approved as a true, complete and properly prepared statement of the evidence (including testimony and exhibits therein referred to and the stipulation of the parties) in the above entitled cause," it affirmatively appears from the record itself that it is not a true nor a complete statement of the evidence, in that it omits 114 exhibits out of a total of 196 exhibits introduced by appellant and appellee and received in evidence on the infringement and on the accounting issue, and is in other respects untrue and incomplete 80

Point VI 82

The Circuit Court of Appeals did not err in refusing to grant petitioner's belated motion for leave to procure from the District Court a record complying with Equity Rule 75, because such an order would have been a nullity, since it would have directed the District Judge to do an act which, as a court or judge, he was powerless to perform 82

(a) A certificate of evidence, the same as a bill of exceptions, must be settled, "approved" and signed and filed within the term or within such extension as the court may grant, and the court has no power or jurisdiction to do so thereafter 83

(b) When an appeal has been fully perfected, nothing remaining to be done to that end, the exclusive jurisdiction of the cause is vested in the Court of Appeals pending the appeal, and the trial court loses all jurisdiction over the cause and its record and the parties, and cannot be reinvested with jurisdiction or authority to add to or take from the record by approving and certifying to a certificate of evidence, any more than a bill of exceptions or otherwise, either on its own motion or by the Court of Appeals.. 87

(c) The settling and signing of a bill of exceptions or a certificate of evidence is not a ministerial, but is on the contrary a judicial act, and cannot be exercised unless the court has jurisdiction of the cause and the parties and control over its record, which was not true in the case at bar, as we have shown 92

(d) Certain cited cases holding that the settling and approval and filing of a certificate or statement of the evidence, under Equity Rule 75, is a ministerial act and may be done after the term and the perfecting of an appeal, we contend, are unsound and should not be followed..... 94

IV. Appendix A .....App. 1

V. Appendix B .....App. 6

Table of Cases.

PAGE

("App." refers to cases in appendices.)

Albers v. Roberts, 150 S. W. (Tex.) 596 ..... App. 1
Albrecht v. Lignoski, 151 S. W. (Tex.) 886; 154 S. W. 354 ..... App. 1
Allen v. LeMoyne, 101 Ill. 655 ..... App. 9

Babcock v. Johnson, 22 Ind. App. 97; 53 N. E. 241. App. 2
Bacon v. Neill, 283 Fed. 717 (C. C. A. 9th Cir.) 26
Barger v. Halford, 10 Mont. 57; 24 Pac. 699 ..... App. 2
Barlass v. Kargus, 111 Wis. 611; 87 N. W. 800 .... App. 6
Baubletts v. Krug Park Amusement Co., 81 S. W. (Mo. App.) 1179 ..... App. 3
Bell v. Bell, 60 Kans. 857; 56 Pac. 471 81
Blair v. Miller, 4 Dall. 21 ..... App. 4
Blease v. Garlington, 92 U. S. 1 12
Blisse v. United States, 263 Fed. 961 (C. C. A. 2nd Cir.) 55, 89
Brietson Mfg. Co. v. Close, 280 Fed. 297 (C. C. A. 8th Cir.) 26
Bronson v. Schulten, 104 U. S. 410 ..... 83, 84, 86, 92, 95
Brown v. Vizcaya, 54 S. W. (Tex.) 636 ..... App. 1
Buckeye Cotton Oil Co. v. Ragland, 11 Fed. (2nd) 231; (C. C. A. 5th Cir.) 25
Buessel v. United States (258 Fed. 811 (C. C. A. 2nd Cir.) 23, 24, 25, 34, 41, 44, 46, 77
Burr v. Henry, 59 Neb. 301; 80 N. W. 900 ..... App. 4

Cameron v. M'Roberts, 3 Wheat 591 85
Carriger v. Kennedy, 134 Ind. 107; 33 N. E. 907 ... App. 3
Carson v. Hurt, 250 Fed. 30 (C. C. A. 5th Cir.) .. 25, 77, 81
Carter County v. Schmalstig, 127 Fed. 126 (C. C. A. 6th Cir.) ..... App. 2
Castro v. United States, 3 Wall. 46 ..... App. 4
Caswell v. Hopson, 43 S. W. 547 (Ct. Civ. App. Tex.) 45
Chadwick v. People, 206 Ill. 122 ..... App. 3
Chinn v. Davis, 18 Mo. App. 539 ..... App. 3
Cincinnati Traction Co. v. Ruthman, 85 Oh. St. 62; 96 N. E. 1019 93
Citizens St. R. Co. v. Heath, 154 Ind. 363; 55 N. E. 744 93

Clark Mfg. Co. v. Tablet & Ticket Co., No. 3740 (C. C. A. 7th Cir.) 41, 47, 59, 60, 71
Clark-Harris Co. v. Douthet, 5 Wash. 96; 31 Pac. 422 56
Cleveland C. C. & St. Louis Ry. Co. v. Snow, 37 Ind. App. 646; 74 N. E. 908 ..... 44, App. 2
Conductors' Benefit Ass'n. v. Leonard, 166 Ill. 154 87
Conn v. Penn, 5 Wheat 424 20
Cookville Coal & Lumber Co. v. Evans, 135 S. W. (Tex.) 750 ..... App. 1
Corinne M. C. & S. Co. v. Johnston, 5 Utah 147; 13 Pac. 17 ..... App. 3
Coxe v. Peck Williamson H. & V. Co., 208 Fed. 409 (C. C. A. 5th Cir.) 25
Cunningham v. School District, 215 S. W. (Mo.) 249 ..... App. 3
Darden v. Williams, 100 Tenn. 414; 45 S. W. 669 .. 93
Davenport v. Ells, 22 Iowa 296 ..... App. 4
Davis v. Wall, 142 N. Car. 450; 55 S. E. 350 ..... App. 2
Ditch v. Sennott, 116 Ill. 288 ..... App. 5
Dixon v. Poe, 158 Ind. 54; 62 N. E. 628 ..... App. 3
Dolson's v. Sheridan Stove Mfg. Co., 178 S. W. (Tex.) 663 ..... App. 1
Drake v. New York Mine, 55 N. Y. Supp. 920 56
Edmonson v. Bloomshire, 7 Wall. 306 ..... App. 4
Re Equity Rule 75, 222 Fed. 884 (C. C. A. 6th Cir. 25, 45, 94, 95, 98
Fairbanks Morse & Co. v. American Valve & Meter Co., 18 Fed. (2nd) 716 (C. C. A. 7th Cir.) .. 1, 35, 63, 65
Firestone Tire & Rubber Co. v. Seberling, 235 Fed. 891 (C. C. A. 6th Cir.) 25
First National Bank v. State National Bank, 131 Fed. 430 (C. C. A. 9th Cir.) 89
Garland v. Quinn, 242 Fed. 267 (C. C. A. 6th Cir.) 25
Goodwin v. United States, 295 Fed. 856 (C. C. A. 6th Cir.) 25, 94, 98
Grant v. Grant, 46 Iowa 478 ..... App. 4
Green v. Elbert, 137 U. S. 615 ..... App. 3
Greenwood v. Randall, 111 U. S. 775 ..... App. 2
Griffin v. Burrus, 292 S. W. (Tex.) 561 ..... App. 1
Grigsby v. Purcell, 99 U. S. 505 ..... App. 4
Re Gustin, 281 Fed. 320 (D. C. Mich.) 90

Hake v. Strubel, 121 Ill. 321 93
Hamilton v. Moore, 3 Dall. 371 ..... App. 4
Harding v. Oregon-Idaho Co., 57 Ore 34; 110 Pac. 412 91
Harty v. Victoria, 226 U. S. 12 ..... App. 2
Herren v. Merrilees, 7 Okla. 261; 54 Pac. 467 93
Hewitt v. Equitable Life Ins. Co., 8 Fed. (2nd) 706 (C. C. A. 9th Cir.) 26
Houston v. Southwestern Telegraph & Tel. Co., 259 U. S. 318 ..... 41, 44, 46
Hovey v. McDonald, 109 U. S. 150 89
Howlett v. Tuttle, 10 Colo. 222; 15 Pac. 342 ..... App. 3
Idaho Irrigation Co. v. Gooding, 285 Fed. 453 (C. C. A. 9th Cir.) 26
Indiana D. & W. Ry. Co. v. Ditto, 158 Ind. 669; 64 N. E. 222 ..... 44, App. 2
Insurance Co. v. Lanier, 95 U. S. 171 76
Jennings v. Phila. B. & W. R. Co., 218 U. S. 255 .. .. 83, 86, 87, 89, 94, 95, 97
Re Jewell Electrical Instrument Co., 283 Fed. 978 (C. C. A. 7th Cir.) 13, 23, 26, 76, 81, 96
Kendrick v. Roberts, 214 Fed. 268 (D. C. Ga.) 90
Keyser v. Farr, 105 U. S. 265 90
Lakewood Engineering Co. v. A. W. French & Co. (Supreme Court, No. 200, Oct. Term 1927) 1, 35
Larson v. Seattle, 121 Wash. 75; 208 Pac. 54 82
L. A. Westermann Co. v. Dispatch Printing Co., 233 Fed. 609 (C. C. A. 6th Cir.) 25
McWilliams v. Ft. Stockton Irrigated Lands Co., 156 S. W. (Tex.) 556 ..... App. 1
Mallers v. Whittier Machine Co., 170 Ill. 434 93
Malony v. Adsit, 175 U. S. 281 ..... 76, 93
Mason v. Linn, 218 Pa. 161; 67 Atl. 61 ..... App. 3
Michigan Ins. Bank v. Eldred, 143 U. S. 293 .... 84, 88, 89
Miller v. Anderson, 269 Ill. 608 87
Morgan v. Chittenden Land Co., 92 Wash. 364; 159 Pac. 129 ..... 45, 93
Morrin v. Lawler, 91 Fed. (C. C. N. Y.) 693 91
Mussina v. Cavazos, 6 Wall. 355 ..... App. 4
Nadeau v. Lynch, 41 Cal. App. 755; 183 Pac. 278 .. 81
National Harness Mfg. Assn. v. Federal Trade Commission, 261 Fed. 170 (C. C. A. 6th Cir.) ... 25
Nealan v. Ring, 98 Ore. 490; 193 Pac. 747 ..... App. 7

Newton v. Consolidated Gas Co., 258 U. S. 165 ..... 41, 43, 44, 45, 59
Norton v. Brownsville, 129 U. S. 505 ..... App. 4
O'Keefe v. Beecher, 17 N. Dak. 404; 117 N. W. 353 ..... 45, App. 2
Omaha Electric L. & P. Co. v. City of Omaha, 216 Fed. 848 (C. C. A. 8th Cir.) 91
Opperman v. Petri, 107 S. W. (Tex.) 1142 ..... App. 1
Origet v. United States, 125 U. S. 240 76
Oxford & Coast Line R. Co. v. Union Bank, 153 Fed. 723 (C. C. A. 4th Cir.) ..... 92, 93, App. 6
Patterson v. Mobile Gas Co., 271 U. S. 131 44
Pearson v. Household S. M. Co., 78 Tex. 385; 14 S. W. 890 ..... App. 3
Peoples v. Evans, 50 Tex. Civ. App. 225; 111 S. W. 756 ..... App. 1
Rainey v. Grace & Co., 231 U. S. 703 ..... 29, 30
Roberts Cone Mfg. Co. v. Bruckman, 255 Fed. 957 (C. C. A. 8th Cir.) 26
Roxana Petroleum Corporation v. Rush, 295 Fed. 844 (C. C. A. 5th Cir.) 25, 44, 46
Rumfelt v. Trinity River C. & H. M. Co., 83 Cal. 649; 24 Pac. 276 ..... App. 3
Rupert v. United States, 181 Fed. 87 (C. C. A. 8th Cir.) 82
R. W. Clark Mfg. Co. v. Tablet & Ticket Co., No. 3740 (C. C. A. 7th Cir.) 41, 47, 59, 60, 71
School District v. Trotter, 10 Okla. 625; 64 Pac. 9 81
Selma & M. R. Co. v. Louisiana Nat'l Bank, 94 U. S. 253 ..... App. 2
Sibbald v. United States, 12 Pet. 488 85
Simmons v. Stern, 9 Fed. (2nd) 256 (C. C. A. 8th Cir.) 26
Smith v. Gustin, 169 Ind. 42; 81 N. E. 722 ..... App. 7
Smith v. Kunert, 17 N. Dak. 120; 115 N. W. 76 ..... 45, App. 2
Southern Bldg. & Loan Ass'n v. Carey, 117 Fed. 325 (C. C. Tenn.) 19
State v. Demarest, 110 U. S. 400 ..... App. 4
State v. Lankford, 158 Ind. 34; 62 N. E. 624 ..... App. 3
Stennick v. Jones, 282 Fed. 161 (C. C. A. 9th Cir.) 26
Struett v. Hill, 269 Fed. 247 (C. C. A. 9th Cir.) 26, 94, 97, 98
Sussex Land Co. v. Midwest Refining Co., 294 Fed. 597 (C. C. A. 8th Cir.) 94, 98

Tunnicliff *v.* Watts, 210 S. W. (Mo.) 876.....App. 7
U. S. v. Adams, 9 Wall. 554..... 54
U. S. v. Great Northern Ry., 254 Fed. 522 (C. C. A. 9th Cir.) 26
U. S. v. 337 Cases of Wine, 1 Woods 47 (C. C. 5th) 82
Vandenburgh v. Truscon Steel Co., 277 Fed. 345 (C. C. A. 6th Cir.) (aff. 261 U. S. 6)..... 25
Villalobos v. United States, 6 How. 81.....App. 4
Virginia Devel. Co. v. Rich Patch Iron Co., 98 Va. 700; 37 S. E. 280..... 93
Voges v. Davison, 306 Ill. 357.....App. 5
Wade v. Leach, 2 Fed. (2nd) 367 (C. C. A. 5th Cir.) .....25, App. 2
Wentworth v. King, 49 S. W. (Tex.) 696.....App. 1
Westermann Co., L. A. v. Dispatch Printing Co., 233 Fed. 609 (C. C. A. 6th Cir.)..... 25
Western Union v. Todd, 22 Ind. App. 701; 54 N. E. 446 .....App. 4
Wetmore v. Wetmore, 51 N. Y. St. Rep. 274.....App. 4
Whinrey v. Starr, 35 Ind. App. 623; 74 N. E. 32...App. 3
Winter v. People, 10 Colo. App. 510; 51 Pac. 1006 93
Wong Keow v. United States, 215 Fed. 95 (C. C. A. 7th Cir.) 26, 76, 77, 96
Wong Sang v. United States, 144 Fed. 968 (C. C. A. 1st Cir.) .....App. 2
Woods v. First National Bank, 16 Fed. (2nd) 856 (C. C. A. 9th Cir.) 26
Young v. City, 173 Ill. App. 311..... 93

STATUTES CITED.

Act of Sept. 24, 1789, Chap. 20, Sec. 19; 1 Stat. 73 .....19-20, 21
Act of Sept. 24, 1789, Chap. 20, Sec. 30; 1 Stat. 88 19-20
Section 269, Judicial Code 40, 41
Act of March 3, 1803, Chap. 40; 2 Stat. 244..... 20
Act of August 23, 1842, Ch. 188; 5 Stat. 518..... 20, 22
Act of Feb. 13, 1911; U. S. C. Title 28, Sec. 865; 36 Stat. 901 .....17, 29, 30

Text Books Cited.

Corpus Juris:
Volume 4, p. 247 92
Volume 4, p. 251 92
Volume 4, p. 507 39
Volume 4, p. 509 ..... 39, 40
Volume 21, p. 553 79
Volume 21, p. 706 87
Daniell, Chancery Pleading and Practice (1st Ed.) p. 666 18
Ruling Case Law, p. 677 86
Zoline, Federal Appellate Jurisdiction and Procedure, p. 646 91

IN THE

Supreme Court of the United States

OCTOBER TERM, 1927.

BARBER ASPHALT PAVING COMPANY, *Petitioner,*
against
STANDARD ASPHALT & RUBBER COMPANY, *Respondent.* } No. 194.

BRIEF FOR RESPONDENT.

SUPPLEMENTAL STATEMENT OF THE CASE.

The chronology and history of the proceedings in this case from the date of the decree of the District Court and the condition of the transcript of the record are, in our view, of controlling importance in the decision of the question now presented to this court, and as Petitioner's "Statement" omits much that we deem material to a correct understanding of the questions we submit a "Supplemental Statement."

The court, in reading this statement, will recognize controlling circumstances which differentiate this case from the other two cases pending at the October, 1927, term of this court, viz: *Lakewood Engineering Company, et al., Petitioners,* v. *A. W. French & Company, et al., Respondents,* No. 200, and *Fairbanks, Morse & Co., et al.,* v. *American Valve & Meter Co.,* No. 262.

In those cases, as we understand the record, the par-

ties entered into written stipulations providing for the incorporation into the record of all or certain parts of the evidence in the exact words of the witnesses, and the District Judge also signed certificates attached to the evidence approving the stipulated statement of evidence.

CHRONOLOGY.

1915.

Feb. 2. Patent infringement suit begun.

1917.

Feb. 20. Decree of infringement entered by District Judge Humphrey.

1921

Jan. 6. Master's report finding amount due complainant on accounting filed.

1924.

Apr. 30. Decree of accounting affirming master's report entered by Judge FitzHenry.

July 1. Appeal prayed by Barber Asphalt Paving Company; assignment of errors filed in District Court and citation issued by District Judge FitzHenry.

July 5. Supersedeas bond filed in District Court.

1925.

12 orders of the District Court, each granting a thirty-day extension of time for filing the record in the Circuit Court of Appeals, the last extension expiring July 26, 1925 (over year after issuance of citation).

Apr. 24. Appellant's (petitioner here) praecipe served (nearly 300 days after issuance of citation).

July 3. 1 copy of 9 volumes of printed record filed in the office of the clerk of the Circuit Court of Appeals.

Nov. 2. 25 printed copies of purported record filed in Circuit Court of Appeals (nearly 4 months after filing of first printed copy and 18 months after the entry of the final decree).

Nov. 9. Appellee's (respondent here) motion to Circuit Court of Appeals to dismiss appeal, etc., filed.

1926.

Jan. 29. Appellant's (petitioner here) motion to remit record to District Court for certificate of judge, allowed (the effect and validity of such certificate being reserved).

Mar. 30. Motion made before Judge FitzHenry pursuant to order of Jan. 29 (2 months' delay).

Apr. 13. Additional record filed in Circuit Court of Appeals with District Court's order (but without any signature or certificate of District Judge).

Apr. 23. Appellant (petitioner here) moved Court of Appeals to continue case to Oct. 6. Motion granted.

Apr. 29. Date set for hearing of case in Court of Appeals.

Oct. 6. Case argued orally in Court of Appeals, and motion of appellee (respondent) to dismiss appeal, etc., submitted.

Dec. 13. Order of Circuit Court of Appeals affirming decree.

Appellant (petitioner here) got together a typewritten copy of purported evidence, purporting to have been taken before Judge Humphrey on the trial of the in-

fringement issue, and before the master on the accounting issue, together with 82 out of a total of 196 exhibits shown by the typewritten manuscript to have been offered and received in evidence, and thereupon caused this purported evidence, together with the bill, answer and other documents on file and of record in the office of the clerk of the District Court, to be printed.

The typewritten transcript of the purported evidence taken before Judge Humphrey on the trial of the infringement issue bears no file mark of the District Court showing that it had ever been filed or evidencing its filing in his office. Nor did this purported transcript of the evidence bear either the certificate or the signature of the trial judge for the purpose of authenticating and identifying it as the testimony in fact taken on the trial of the cause before him. In short this testimony was never (to quote the language of Mr. Chief Justice Waite) "*made part of the record*" *Blease* v. *Garlington*, 92 U. S. 1, 7.

The purported transcript of the testimony taken before the master also bears no file mark of the clerk of the District Court, showing it to have been filed in the District Court Clerk's office, nor is there attached thereto either the certificate or signature of the master, authenticating and identifying it as the testimony taken before him together with the numerous exhibits offered and introduced in evidence on the accounting issue before the master.

After the above had been printed, the solicitors for appellant (petitioner here) served upon the clerk of the District Court and upon the solicitors for appellee a praecipe purporting to request the clerk to prepare a transcript of the record. (Rec., 42.) This praecipe, addressed to the clerk, read in part as follows:

"Please prepare a transcript of the record in the

above entitled cause for use on appeal, including therein copies of the following:"

After designating the bill of complaint and certain other documents on file and of record, the praecipe proceeds:

"Certificate of evidence, consisting of printed pages 24 to 1215 inclusive; pages 1222 to 4591 inclusive; and the following exhibits:"

Thereupon certain, but only 82 out of a total of 196 of the exhibits referred to and shown by the printed pages of purported evidence to have been offered and received in evidence were designated in the praecipe, the rest of the exhibits all being omitted. Out of the total of 196 exhibits offered and introduced in evidence, 114 are omitted from the praecipe and the printed transcript of the purported evidence, as respondent pointed out to the Court of Appeals in its answer to the appellant's petition for a rehearing and certiorari (Rec., 143) and listed in detail in its answer. (Rec., 189-196.) And moreover at least three of the exhibits designated in the praecipe were not incorporated in the transcript but were there noted only by blank pages. (See pages 1517, 1519 and 1543 of large printed record.)

Furthermore, as appears from the printed transcript of the purported evidence referred to in the praecipe itself, and as was affirmatively sworn to in the affidavit of Henry M. Paul filed in connection and as a part of appellant's (petitioner here) petition for rehearing (Rec., 111, 114), the printed transcript of the purported evidence did not contain all of the other evidence but, as Mr. Paul swears (Rec., 114) involved "*an immense amount of elimination and condensation,*" all without the knowledge or participation of the District Court or the solicitors for appellee. This was specifically called to the attention of the Circuit Court of Appeals in detail

by respondent, in its answer to appellant's (petitioner's) petition for rehearing. (Rec., 139-143.) This printed transcript of the purported evidence contained, among other things in the nine printed volumes, was not certified to nor signed by the District Court or Judge, nor was the printed purported transcript of the record certified to nor signed by the District Court or Judge. It was simply left with the clerk of the District Court with the request contained in and evidenced by the praecipe, and was not even filed in his office, nor did he put his file mark upon the same or any of the volumes in question.

This arbitrary omission of portions of the evidence and numerous exhibits was not done under the supervision of any judge or court but was done solely under a power assumed and exercised by appellant's (petitioner's) solicitors.

In obedience to the praecipe, the clerk of the District Court simply attached his certificate near the end of the ninth volume, on page 4876, as follows:

> "I, S. T. Burnett, Clerk of the District Court of the United States for the Southern District of Illinois, and keeper of the records and Seals thereof, do hereby certify the foregoing to be a true and complete transcript of the proceedings had of record in said Court, consisting of nine (9) volumes, paged from 1 to 4877 inclusive, in a certain cause entitled Standard Asphalt & Rubber Company, a corporation, vs. Barber Asphalt Paving Company, a corporation, No. 25, in Equity, said transcript having been prepared in accordance with praecipe filed therein, as fully as the same appear from the records of said Court now remaining in my custody and control."

This printed purported transcript of the record, consisting of nine printed volumes of 4907 pages, in no way connected by cross-identification or otherwise, and with this certificate of the clerk at practically the end of the

last volume, and no certificate on any of the other volumes, was filed by appellant (petitioner here) in the office of the clerk of the Circuit Court of Appeals. The printed purported transcript of the record was never filed, even after it was certified to, as stated, by the clerk of the District Court, in the office of the clerk of the District Court.

The clerk does not certify that the copy of the evidence in the printed transcript from page 24 to page 1577 is a true copy of the evidence taken and heard by Judge Humphrey nor that it is a true copy of the evidence filed in his office, nor *a fortiori* that it contains all the evidence taken or heard by Judge Humphrey upon the infringement issue but merely that it is a transcript prepared in accordance with a praecipe. It is therefore neither a certificate of evidence nor is it a statement of the evidence prepared under the supervision of the District Judge under Rule 75.

Nowhere in the printed volumes purporting to be a transcript of record is there included any certificate of the master purporting to show that the evidence which the appellant has embodied in the transcript was in fact taken or heard by him and the transcript does not contain anything showing that it was *all* the evidence taken or heard by the master.

It is not on its face *all* of such evidence but is admittedly deleted and expurgated by the petitioner's solicitor without supervision by the court and without the knowledge or consent of appellee (respondent here).

The clerk does even not certify that it is the evidence heard by the master nor even that it was evidence attached to or returned with the master's report or filed by the master in the clerk's office as such nor does this evidence purport to bear any file mark of the District Court clerk.

On the contrary the affidavit of Mr. Paul, solicitor for appellant, sets forth that he (without consulting the District Judge or appellee) had *"carefully eliminated a great deal of the accounting record"!* No authority for his extraordinary action is cited in his affidavit or otherwise.

The District Court or Judge never attached his certificate or signature to any of these printed volumes or purported transcript of the record. Neither this printed purported transcript of the record, nor any other purported transcript of the record or of the evidence, or any certificate of evidence was ever presented to the District Court or Judge, or was ever approved by him, nor did he ever attach his certificate or signature thereto.

All that was ever done by appellant's (petitioner's) solicitors was to obtain the certificate of the clerk above noted, near the end of the ninth volume, and then to file the nine printed volumes (eight uncertified) in the office of the clerk of the Circuit Court of Appeals.

No effort whatever was made by solicitors for appellant (petitioner here) to comply with Equity Rule 75 prior to filing the nine printed volumes in the office of the clerk of the United States Circuit Court of Appeals. They did not, as Rule 75 requires,

(a) Prepare a condensed statement of the evidence in narrative form;

(b) They did not lodge this statement in the clerk's office of the District Court (at or before filing their praecipe, or at any other time);

(c) They did not serve notice on appellee's solicitors of such lodging, nor name the time and place when appellee's solicitors would ask the court or judge to approve the statement;

(d) They did not present any statement of the evidence, either in condensed or uncondensed form, to the District Court or Judge, and no hearing was had by him of the parties;

(e) The District Court or Judge never had the

opportunity to find that any statement of the evidence whether condensed or uncondensed, was "true, complete and properly prepared," nor was any such statement of the evidence ever approved by the District Court or Judge and thereupon filed in the District Court clerk's office and thereby "become a part of the record for the purposes of the appeal" or otherwise.

On November 9, 1925, one week after respondent's solicitors were served by the clerk of the Circuit Court of Appeals with a copy of the printed purported transcript of the record, respondent filed and presented to the Court of Appeals its motion to strike and its objections to the purported evidence and testimony (Rec., 52-57), on the ground, among others, that the purported evidence set forth in said *printed purported transcript of the record was never approved by the District Court or Judge nor signed, certified to nor authenticated by him and never filed with such approval, certification or authentication in the office of the clerk of the district and never became a part of the record in said cause for the purposes of the appeal therein, all as required by Equity Rule 75; and insisting that in consequence thereof the purported proceedings and evidence should be stricken from the purported transcript of record and disregarded by the Court of Appeals.*

The motion and objections were, on November 9, 1925, taken by the court (Rec., 57, 58) and continued to the hearing of the cause.

On January 4, 1926, nearly two months after respondent's motion and objections were filed, petitioner filed its motion in the United States Circuit Court of Appeals (Rec., 58) for leave to remit the certified transcript of the record filed on July 3, 1925, to the District Court for the purpose of securing the certificate of the District Court to the purported evidence in the printed transcript.

On January 8, 1926, the court directed petitioner and respondent to file their briefs in support and in opposition to the foregoing motion of petitioner.

On January 18, 1926 petitioner filed its brief in support of its motion accordingly. Excerpts from this brief appear in respondent's answer to petitioner's petition for rehearing (Rec., 130-132) from which it appears that solicitors for appellant (petitioner here) had full cognizance of Equity Rule 75 and argued against its enforcement and in opposition to appellee's (respondent here) motion and objections because of the violation of Equity Rule 75.

On January 26, 1926 appellee (respondent here) filed its brief in support of its motion and objections and, as appears from the excerpts from this brief found in its answer to appellant's petition for rehearing (Rec., 128, 130) insisted upon and argued for the enforcement of Equity Rule 75.

We quote the following passages from appellee's (respondent here) brief.

Page 17 it was said,

> "Under Equity Rule 75 appellee's counsel *have a right to be heard* on the settling of the Certificate of Evidence. Manifestly, the Rule does not contemplate an arbitrary power in the District Court, or in the Court of Appeals to direct the District Court to settle the Certificate of Evidence, and thereupon approve and certify and sign the same, *without giving counsel for appellee an opportunity to make the showing provided for in the Rule itself.*"

Again on page 23 it was said,

> "This language is peculiarly applicable to the provisions of Equity Rule 75, providing the manner in which the evidence taken in equity causes shall be settled and approved, *involving a judicial hearing*, participated in by both parties, and consideration and action by the Court.

The order requested by appellant cannot properly be entered, because in any event the evidence under Equity Rule 75 must be settled, approved, certified and filed in the manner provided by this Rule, which involves giving appellee an opportunity to be heard, and judicial consideration and determination by the District Court."

And still again on page 31 we said,

"Counsel refer to this complete omission to comply with Equity Rule 75, or to obtain the certification of the trial Judge to the purported evidence in the transcript of the record so as to make the same a part of the record in the cause as 'a purely technical omission.' The Supreme Court of the United States and other Federal Courts to which we have called attention do not so regard this omission, but on the contrary characterize it as *a grave matter.*"

And on page 34, and 35, we said,

"Equity Rule 75 was *violated in letter and in spirit* in that **the testimony was not reduced to narrative form**, and *presented to counsel for appelle* so that the same might be settled and approved by the Court in the manner contemplated by the Rule **and thereby be made a part of the record.**

Not only this, but appellee's counsel *were never tendered a Certificate of Evidence*, or *given an opportunity to examine or to be heard* concerning the purported evidence and numerous exhibits incorporated in the transcript of the record on file. *Counsel for appellee were totally ignored*, and *the first opportunity they had to know of the action of counsel for appellant* was when the printed record was served upon them, and *this was after the purported transcript of the record had been filed*, and *the whole situation closed so far as counsel for appellee were concerned.*"

On page 40 we said,

"Counsel say again that it was some time after the adoption of Equity Rule 75 before the Bar understood that the Court's certification of a *condensed statement of evidence* also applied to those

cases where, either by agreement of counsel, or order of court, the entire record was sent up on appeal."

And on page 41, we said,

"Under Equity Rule 75, however, certain specific things were required of counsel for appellant before counsel for appellee could be required to move or to do anything. None of these things were done, and no attempt at compliance with the Rule was made by counsel for appellant. *Counsel for appellee were not asked to, or given any opportunity to participate.*"

We quote the following for the court's ready reference from appellant's (petitioner's) brief in support of its motion to remit the record for certification.

On page 3, appellant said,

"3. Until July 1, 1924, there was no appellant, and accordingly, no one upon whom Rule 75 of the Supreme court, Equity Rules cast the duty of *condensing the evidence* as taken at the trial. In the meantime, on June 14, 1918, Judge Humphrey died, and in view of the nature of the controversies at the trial, and the conflicting views of the parties upon many points, it was not feasible to attempt *to settle a condensed statement of the evidence* before a Judge not thoroughly familiar with the trial of the cause, and accordingly, it was deemed best to ask the Clerk of the Court to certify the stenographer's notes of the testimony and proceedings at the trial, as already filed of record in the cause."

On page 11, appellant said,

"No such a thing as a Certificate of Evidence was known in Federal Equity practice *until after the promulgation, November* 4, 1912, of the Supreme Court Equity Rules, and particularly Rule 75-B thereof. All that was required was that the testimony be taken down and preserved in the record. *Blease* v. *Garlington*, 92 U. S. 1.

But even after the adoption of Rule 75-B the Bar did not *at once* understand, and it was *sometime before the Courts ruled*, that the requirements for the

> Court's certification of a *condensed statement* of evidence also applied to those cases where, either by agreement of counsel or order of Court, the entire record was sent up to the Court of Appeals."

And continuing counsel for appellant (petitioner here) said, (page 11):

> "Uncertainty still exists upon this subject, for there is a diversity of ruling in different circuits."

On page 16, counsel for appellant said:

> "There has been no negligence on the part of appellant's counsel in this case. *At most there has been a pardonable oversight.* All of the cases which have been cited make it clear that the duty to procure the trial Judge's certification of the evidence is founded upon Equity Rule 75. (See Judge Baker's opinion in this circuit *In re* Jewell Electrical Instrument Co.). Judge Baker's language is very precise in speaking of this, (283 Fed. 978, 980) as 'Appellant's duty'; for by the express terms of the Equity Rule no duty rests upon anyone until there is an 'Appellant.' *If the testimony is to be condensed* 'the Appellant' must first attempt that duty and then 'the Appellee' if dissatisfied. Therefore, no duty in this respect rested upon anybody until there was an appellant; that is, until July 1, 1924, or six years after Judge Humphrey died."

It appears from the excerpts in question of the briefs of petitioner and respondent, that petitioner and its solicitors were fully admonished of their violation of Equity Rule 75 and that respondent insisted upon compliance therewith.

On January 29, 1926, an order was entered by the United States Circuit Court of Appeals (Rec., 64) granting appellant's (petitioner's) motion for an order remitting the transcript of the record to the District Court the order providing, however,

> "that the effect and validity of such certificates if obtained shall be reserved for final determination of this cause."

On March 30, 1926, two months after the order of the United States Circuit Court of Appeals authorizing the transmission of the certified transcript of the record for further certification, appellant (petitioner here) appeared before and presented to the District Judge a form of order, which on motion of appellant the District Court signed and entered. (Rec., 48-50.)

As the order recites (Rec., 48) solicitors for appellee (respondent here) appeared before the District Judge

> "specially, solely and only for the purpose of challenging the power and jurisdiction of the court to entertain the motion herein and to grant the relief herein prayed."

Solicitors for appellant (petitioner here) did not put the testimony in narrative form nor present it to the District Court or Judge and ask for its approval. They did not ask the District Court or Judge to attach or append a certificate signed by him to the transcript of the record or to the evidence purported to be contained therein, certifying that such evidence was, in the language of Equity Rule 75, "true, complete and properly prepared" nor anything of that kind, nor did they even ask the District Court or Judge to attach his signature to any part of the transcript of the record or the evidence therein, and the District Court or Judge did not do so, although the order of the Circuit Court of Appeals contemplated, as the quotation therefrom above shows, that a certificate signed by the judge should be "*affixed to the transcript*" and when so certified the transcript should be returned to the Circuit Court of Appeals. All they did was simply to ask for and have entered the order referred to.

On April 10, 1926, after this order of March 30, 1926, had been entered, the nine printed volumes of purported transcript of the record (without any certificate

or signature by the District Judge and without having been filed in the District Court Clerk's office) were returned to the Circuit Court of Appeals by appellant's solicitors, together with a certified copy of the order of March 30, 1926, which purports to have been entered of record in the District Court in a cause which was then and had been for at least nine months pending in the Court of Appeals. (Rec., 65.)

The court, as the order recites, did this not on its own motion or initiative but at the request of appellant (petitioner here), without any showing or finding that the evidence could not have been properly and safely condensed and put in narrative form for the purposes of the appeal and review.

The order in question contains the recital (Rec., 49) that

> "pages 24 to 4872, inclusive, of the transcript of the record heretofore certified by the Clerk of this Court on June 29, 1925, amended and supplemented as herein directed, are hereby approved as a true, complete and properly prepared statement of the evidence (including testimony and exhibits therein referred to and the stipulation of the parties) in the above entitled cause."

Notwithstanding this statement, it appears from the purported evidence itself that the evidence incorporated in the printed transcript is not true and complete but, on the contrary, that it is incomplete and that a large number of exhibits, 114 out of a total of 196, are omitted, and that the transcript is in other respects incomplete. Furthermore, the affidavit of Mr. Paul, appellant's solicitor, attached to the petition for rehearing (Rec., 38) admits that the purported transcript of the testimony is not complete, notwithstanding the statement in the order.

The order contains the further recital (Rec., 49),

"and *upon request of the said defendant*, the said

Barber Asphalt Paving Company, the Court hereby directs that all the testimony in this cause be reproduced in the exact words of the witnesses, and not in narrative form."

On October 6, 1926, appellee (respondent here) filed additional grounds for dismissal of the appeal (Rec., 65) namely, that the order of March 30, 1926, was void, the District Court lacking jurisdiction; that there was no certificate of the District Judge and that the evidence had never been certified or made a part of the record; that 114 out of a total of 196 exhibits received in evidence on the infringement and on the accounting issues were not in the purported transcript of the record and evidence and were never certified to or filed in the office of the clerk of the District Court.

Thereupon the motions and objections of appellee (respondent here) and the argument of the cause on its merits came on for hearing, appellee (respondent here) insisting that it stood upon its motions and objections. Notwithstanding this, appellant (petitioner here) did nothing, but proceeded with the argument on the merits.

On December 13, 1926, the decision of the United States Circuit Court of Appeals affirming the decree was rendered and the order of affirmance was entered.

Every assignment of errors on the appeal to the Circuit Court of Appeals (Rec., 1219, 4680) is based on the evidence and involves a question of fact.

PETITIONER'S POINT I.

(A) Petitioner's contention as to the validity of Equity Rule 75 is, in our view, wholly unsound and due to a misconception of the proper functions of a court of equity and the scope of its inherent power with respect to its control over its records and its decrees and a misunderstanding of the rules of the Circuit Court of Appeals of the Seventh Circuit. The quotation in the brief of Petitioner about original certificates of evidence was not in the rules when this appeal was perfected. The rule then in force related only to writs of error and by Rule 8 the court adopted the practice of the Supreme Court.

(B) Petitioner's contention that it complied with all the rules of the Circuit Court of Appeals in this case is incorrect. Its quotation of the rule is incorrect. The rule quoted was not in effect when this appeal was perfected.

(C) Petitioner's contention that Section 865 of Title 28 of the United States Code (Act of February 13, 1911: 36 Stat. 901) limits the power of this court (with respect to appeals to and writs of error from the Circuit Court of Appeals) to prescribe only the form of the printed transcript of record of the lower court and that Congress by that act delegated the power of condensation of the record to the Circuit Court of Appeals is a narrow and unjustifiable construction of the act.

Petitioner's argument on this point, is in our view not only unsound but is based upon a false premise with respect to the rules of the Circuit Court of Appeals of the Seventh Circuit.

Under Point I of its brief petitioner contends, in sub-

stance, that Equity Rule 75 is an unwarranted invasion by this court of the province and power of the Circuit Court of Appeals and is an unjustified attempt to regulate the practice in that court on appeal unless or until the Circuit Court of Appeals of each circuit has by formal enactment, and not otherwise, adopted that rule as its own.

Power of courts of equity to determine in what form evidence heard in proceedings shall be preserved in their records.

We do not think it will be seriously disputed that courts of equity of the United States have and have always had the power to decide and determine how and in what form the evidence heard in an equity proceeding shall be preserved and become a part of the record in that proceeding.

Up to and at the time the practice in the High Court of Chancery in England was adopted in the federal courts, oral testimony was not heard in that court, with the exception of the proof of the handwriting of deeds or other documents where no cross-examination was required.

The practice with respect to preserving the oral testimony so heard in the English High Court of Chancery is involved in some obscurity, but the substance of evidence embodied in depositions taken before masters or examiners was, by the Court of Chancery, embodied in the decree.

Mr. Daniells, in his work on Chancery Pleading and Practice, 1st Ed., page 666, says:

> "It may be noticed here, that the practice of the court of chancery, with regard to stating in the decree the evidence entered in the cause, *is merely to state it generally without specifying the particular*

depositions which had been made use of." (Italics ours.)

The practice evidently was for the reviewing court to look to the decree to determine whether the court of chancery had committed error, and the chancery court in entering its decrees recited the evidence upon which its findings were based. (See discussion of early practice by Hammond, Circuit Judge, in *Southern Building & Loan Association* v. *Carey*, 117 Fed. 325, at 331.)

When Congress by the Act of September 24, 1789 (1 Stat. 73), established courts of equity, it gave them power to hear oral testimony. (Sec. 30, Chap. 20.) In Section 19 of that act Congress expressly provided the manner in which the evidence should be incorporated into their records by courts of equity. Section 19 is as follows:

> "Be it further enacted that it shall be the duty of circuit courts, in causes in equity and of admiralty and maritime jurisdiction *to cause the facts on which they found their* sentence or *decree, fully to appear upon the record* either from the pleadings and decree itself, *or a state of the case agreed by the parties, or their counsel, or if they disagree by a stating of the case by the court.*"

It will thus be observed that the very first act enacted by Congress creating inferior courts, pursuant to the Constitution, regulated the practice and procedure in courts of equity created by that act and made it the duty of the newly created courts of equity to cause the facts on which they found their decrees fully to appear upon the record, either from the pleading and decree itself (as had been the English practice) or a statement of the facts agreed upon by the parties, or if they disagreed such statement was to be prepared by the court.

Congress thus in the act creating courts of equity clothed them with the power to prepare a statement of

the facts upon which they based their decree, which in its very nature was not only an extraneous document separate from the decree, *but inherently and necessarily a statement of the facts in condensed or narrative form.*

It is worthy of note that the ultimate power to determine the facts in the form of a statement upon which the decree rests was vested in the Circuit Court (the court of equity,—not a reviewing court).

The Act of March 3, 1803, Chap. XL, 2 Stat. 244, amending Sections 19 and 20 of the Act of September 24, 1789, was held by Chief Justice Marshall, in *Conn.* v. *Penn*, 5 Wheat. 424, to repeal the practice provision with reference to the preparation of a statement of facts in equity cases under the supervision of the equity court, but as the distinguished Chief Justice points out in the opinion in that case, the Act of 1803 did not substitute any method of preserving oral testimony in equity cases.

This uncertainty with reference to incorporating oral evidence into the record in equity cases continued until, pursuant to the authority of the Act of Congress of August 23, 1842, Ch. 188, 5 Stat. 518, which is as follows:

> "The Supreme Court shall have power to prescribe, from time to time, and in any manner not inconsistent with any law of the United States, the forms of writs and other process, the modes of framing and filing proceedings and pleadings, of taking and obtaining evidence, of obtaining discovery, of proceeding to obtain relief, of drawing up, entering, and enrolling decrees, and of proceeding before trustees appointed by the court, and *generally to regulate the whole practice, to be used*, in suits in equity or admiralty, by the circuit and district courts,"

this court enacted Equity Rule 75 providing for the preservation of evidence in narrative form under the supervision of the District Court.

The promulgation by this court of an equity rule directing the method and manner of preserving of record in the District Court the evidence in equity cases in narrative form is clearly a regulation of the practice in courts of equity, just as was Section 19 of the Act of Congress of September 24, 1789, providing that it should be the duty of the Circuit Courts in causes of equity jurisdiction to cause the facts on which they found their decree, fully to appear upon the record, either from the decree itself or a state of the case agreed by the parties, or their counsel, or if they disagreed a stating of the case by the court.

Section 19 of the Act of Congress of September 24, 1789, is not and does not purport to be a regulation of the practice in the Appellate, that is, the Supreme Court, but is and purports to be a regulation of the practice of the Circuit Court in causes in equity and admiralty jurisdiction.

Counsel for petitioner would hardly, we submit, contend that Section 19 of the Act of September 24, 1789, was not what it purported to be, but in reality was a regulation of the practice in this court (Supreme Court) on appeal in equity and admiralty cases. Yet substantially the same procedure which Section 19 of the Act of 1789 prescribes with respect to the preservation of the facts upon which decrees in equity causes are based, is prescribed by Equity Rule 75, under the broad powers delegated to this court by Congress "generally to regulate the whole practice to be used in suits in equity."

As, according to the Act of Congress of 1789, the determination of the facts upon which the decrees in equity causes were based, and therefore the determination of what was to be a part of the record in equity causes, was vested in the Circuit Court (which was then

the only federal equity court in existence), so the determination of "the evidence to be included in the record" for use on appeal, as prescribed by Equity Rule 75, is vested, and properly so, in the present District Court of equity, pursuant to Equity Rule 75, to determine what evidence shall be included in the record; and to provide that it shall be set out in narrative form is a function of the court of equity.

Equity Rule 75 does not purport to vest in the court of equity the power to *omit* or *delete* evidence, but merely to state it in "simple and condensed" and "only in narrative form."

The statement of the evidence must be "*true*" and "**complete,**" and if it is not "*true*" and "**complete**" it is required to be made so under the direction of the court or judge before he approves it and thereupon causes it to be filed and made a matter of record. There is nothing in Equity Rule 75 which purports to delegate to courts of equity the power to omit any evidence from the record.

Under the Statute of August 23, 1842, the Supreme Court has ever since promulgated the rules of practice for the courts of equity of the United States, and these Rules of Practice apply and are directed specifically to the district courts.

Equity Rule 75 is directed to the judges and the clerks of the district courts and prescribes the practice in such courts in the matter of preserving the evidence and testimony, and making the same a part of the record in the district courts for the purposes of appeal.

As is well known, prior to the adoption or promulgation of Equity Rule 75 on November 4, 1912, the proper method of preserving the evidence in an equity cause and making the same a part of the record in the Dis-

trict Court was involved in very grave doubt. It was the subject matter of debate and discussion in the District Courts and in the Courts of Appeals and in the textbooks. This was particularly true of testimony taken in open court.

Equity Rule 75 was, no doubt, promulgated to settle this uncertainty and answer this question.

Buessel v. *U. S.*, 258 Fed. (C. C. A. 2nd Cir.) 811, 822, 823.

Since the adoption of Equity Rule 75, there is only one way in which the testimony taken in an equity cause can be made a part of the record of the District Court for use on appeal, and that is the manner prescribed by the rule itself.

Every requirement of Rule 75 must be complied with or there is no record of the evidence that can be certified up and used on appeal. The burden is put upon the party intending to appeal, or, in other words, the appellant, to put the evidence and testimony of witnesses in condensed and narrative form, and after it shall have been found by the District Court to be "true, complete and properly prepared" and thereupon *approved* and certified to by him, it shall, as the rule specifically provides, "*be filed* in the clerk's office and *become a part of the record* for the purposes of appeal," that is to say, be filed in the office of the clerk of the District Court and become a part of the record of the District Court for the purposes of the appeal.

Until it is thus made part of the record of the District Court it cannot be considered by the Court of Appeals.

In *In re Jewel Electrical Instrument Co.* 283 Fed. (C. C. A. 7th Cir.) 978, 980, it was said that, *regardless of what the proper practice was under former equity rules,*

"* * * under present Equity Rule 46 respect-

ing oral testimony in open court, and Equity Rule 75, concerning an appellant's duty to procure the trial judge's certification of the evidence (*like a bill of exceptions on the law side*) and his duty to file it with the clerk of *the trial court*, and his duty to include within his praecipe those portions of the record which establish the existence of error in the decree, there is no room for contending that error must be presumed."

So in *Buessel* v. *U. S.* 258 Fed. (C. C. A. 2nd Cir.) 811, where this subject was fully examined, the court said, among other things (p. 822):

> "*The Supreme Court has the power to regulate the practice in suits in equity in the Federal courts.* This it has done by the equity rules promulgated on November 4, 1912. *The matter of the record on appeal is regulated by Rule 75.*"

And continuing, the court said (p. 823):

> "It is evident that *it was not intended that the testimony should become a part of the record* without the approval of the judge, and until it has been approved by him, it is *not a part of the record* for the purposes of an appeal, and, *as the testimony in the transcript in this case is not there in conformity to Rule 75, we cannot consider it.*"

And still continuing, the court said (page 824):

> "We may add that, *whatever may or may not have been the practice in this circuit prior to* 1912 in the matter of preparing the record in an appeal, the subject is governed by Rules 75, 76 and 77, as framed by the Supreme Court, and that *there is no power in this court to exempt a particular case from their operation.* The rules, having been promulgated under the authority of an act of Congress, *have the authority of statutory regulation.*"

No Circuit Court of Appeals of any Circuit, so far as we are aware, has ever held that Equity Rule 75, so far as it provides that the evidence should be put into narrative form in the manner and under the conditions pro-

vided by it, was in excess of the power of the Supreme Court.

The various Circuit Courts of Appeals have not only not questioned the validity of Equity Rule 75, but practically all of them have affirmatively recognized it as a valid enactment and controlling on them.

Thus, in *Buessel* v. *United States*, 258 Fed. 811, the Circuit Court of Appeals of the Second Circuit has recognized the rule, as shown by the foregoing excerpts:

In the Fifth Circuit, the rule has been expressly recognized as binding in a series of cases.

Coxe v. *Peck Williamson H. & V. Co.*, 208 Fed. 409.

Carson v. *Hurt*, 250 Fed. 30.

Roxana Petroleum Corporation v. *Rush*, 295 Fed. 844.

Wade v. *Leach*, 2 Fed. (2nd) 367.

Buckeye Cotton Oil Co. v. *Ragland*, 11 Fed. (2nd) 231.

In the Sixth Circuit, Equity Rule 75 was specifically recognized in Rule 15 of that circuit, but not "*adopted*," as counsel for petitioner say.

Re Equity Rule 75, 222 Fed. 984.

Garland v. *Quinn*, 242 Fed. 267.

Nat'l Harness Mfg. Assn. v. *Federal Trade Com.*, 261 Fed. 170.

L. A. Westermann Co. v. *Dispatch Printing Co.*, 233 Fed. 609.

Firestone Tire & Rubber Co. v. *Seberling*, 235 Fed. 891.

Vandenburgh v. *Truscon Steel Co.*, 277 Fed. 345 (aff. 261 U. S. 6).

Goodwin v. *U. S.*, 295 Fed. 856.

In the Seventh Circuit, it was expressly recognized, prior to the decision in the case at bar, in the following:

Wong Keow v. *U. S.*, 215 Fed. 95.

Re Jewell Electric Inst. Co., 283 Fed. 978.

In the Eighth Circuit, in *Roberts Cone Mfg. Co.* v. *Bruckman*, 255 Fed. 957, the court refers to Rule 75 as "a rule of this Court."

It was also recognized in

Brictson Mfg. Co. v. *Close*, 280 Fed. 297.

Simmons v. *Stern*, 9 Fed. (2nd) 256.

In the Ninth Circuit, it was recognized in the following cases:

U. S. v. *Great Northern Ry.*, 254 Fed. 522.

Struett v. *Hill*, 269 Fed. 247.

Stennick v. *Jones*, 282 Fed. 161.

Bacon v. *Neill*, 283 Fed. 717.

Idaho Irrigation Co. v. *Gooding*, 285 Fed. 453.

Hewitt v. *Equitable Life Ins. Co.*, 8 Fed. (2nd) 706.

Woods v. *First Nat'l Bank*, 16 Fed. (2nd) 856.

Counsel for petitioner, in their brief (page 8), urge that:

> "Rule 75 of the present Equity Rules of the Supreme Court, while operative to control the practice of the district courts in relation to the condensation of records upon appeals direct from those courts to the Supreme Court, cannot, in accordance with the terms of the statute, become operative upon appeals from a final decree of the district court to a circuit court of appeals *until the latter has by rule promulgated Rule 75 as its own.*"

At the time the appeal in this case was perfected and the Circuit Court of Appeals acquired jurisdiction, Rule

8 of the Circuit Court of Appeals of the Seventh Circuit provided that:

> "The practice, so far as may be, shall be the same as in the Supreme Court of the United States."

At the time this appeal was perfected there was no rule of the Circuit Court of Appeals specifically governing the preparation of a transcript of the record or a certificate of the evidence on appeal in equity. Counsel for petitioner, in their brief (page 7) quote the rule as subsequently amended (October 6, 1925), but which did not control this appeal.

The words "Whenever an appeal is allowed, the clerk shall return the original certificate of evidence when signed by the judge who tried the cause" were not in Rule 14 at the time this appeal was perfected, and the rule in question related only to writs of error and the practice in reference to bills of exceptions.

There being no rule of the Circuit Court of Appeals then in effect with reference to appeals and certificates of evidence, it seems clear that the practice of the Supreme Court (pursuant to Rule 8) was adopted as controlling in the Circuit Court of Appeals.

(B) Petitioner's contention that the Circuit Court of Appeals had not adopted Rule 75 but had a rule of its own in conflict therewith and that it complied with all the rules of the Circuit Court of Appeals in this case is incorrect. Its quotation of the rule is incorrect. The rule quoted was not in effect when this appeal was perfected. Under Rule 8 the Circuit Court of Appeals adopted the practice of the Supreme Court.

Under Point One of their brief, counsel for appellant contend that on appeal from a District Court to a Circuit Court of Appeals, the condensation of the record of

the District Court is governed by the rules of the Circuit Court of Appeals, "*all of which rules were complied with in this case.*"

Paragraph 1 of Rule 14 of the Rules of the Circuit Court of Appeals for the Seventh Circuit in force at the time the appeal was perfected was as follows:

> "The clerk of the court, to which any writ of error may be directed, shall make a return of the same by transmitting a true copy of the record, bill of exceptions, assignment of errors, and all proceedings in the case (necessary to the hearing in this court), under his hand and the seal of the court. The clerk may require of the appellant or plaintiff in error a written praecipe stating in detail what the transcript shall contain, and when a praecipe is filed shall insert a copy thereof in the transcript."

That part of the rule quoted in the petitioner's brief, as follows,

> "Whenever an appeal is allowed the clerk shall return the original certificate of evidence when signed by the judge who tried the cause,"

was not in the rules at the time this appeal was perfected and, as the court will see, the rule covered the practice only on writs of error, there being no specific provisions with reference to the transcript of record or certificate of evidence on appeal, in equity. In this situation the practice on appeal was in accordance with Rule 8 of the Circuit Court of Appeals providing that

> "the practice, so far as may be, shall be the same as in the Supreme Court of the United States,"

regulated by Equity Rule 75.

As it has never been contended by counsel for the petitioner that they complied with Equity Rule 75 and as they are under misapprehension as to the rule of the Circuit Court of Appeals in effect at the date of the appeal in this case, it seems to follow that their argu-

ment that the Circuit Court of Appeals had not adopted the practice provided by this court and particularly by Rule 75 and had some rule in conflict therewith which the petitioner had complied with is absolutely incorrect and based on a misapprehension of those rules.

(C) Petitioner's contention that Section 865 of Title 28 of the United States Code (Act of February 13, 1911: 36 Stat. 901) limits the power of this court) with respect to appeals to and writs of error from the Circuit Court of Appeals) to prescribe only the form of printed transcripts of record of the lower court and that Congress by that act delegated the power of condensation of the record to the Circuit Court of Appeals is a narrow and unjustifiable construction of the act.

ACT OF FEBRUARY 13, 1911.

It is insistently urged by counsel for appellant that the Act of February 13, 1911 (36 Stat. 901, being Section 865 of Title 28 of U. S. Code) authorizes this court only to regulate the "form of the printed transcript" and they urge this is quite a different matter from condensing the proofs, a matter which by that act Congress has delegated to the Circuit Court of Appeals.

The construction sought to be placed by petitioner's counsel on the Act of February 13, 1911 is, we think, entirely too narrow, notwithstanding what this court said in *Rainey* v. *Grace & Co.* 231 U. S. 703, 708.

It is clear, we think, from a reading of Section 1, that the words "in such form as the Supreme Court of the United States shall by rules prescribe" grammatically applies both to transcripts of the record and to the "part or abstract of the proofs."

Certainly, the first section of the Act of February 13,

1911, which relates only to practice on appeal to and writ of error from the Circuit Court of Appeals embodies a grant of power to this court, in addition to any powers previously granted by Congress to this court, with respect to proceedings in the Circuit Court of Appeals. In *Rainey* v. *W. R. Grace & Co.* 231 U. S. 703, the sole question certified by the Circuit Court of Appeals to this court was whether the clerk of the Circuit Court of Appeals could, since the Act of February 13, 1911, charge a fee for printing the transcript of record or whether by that act the clerk's fee for printing transcripts was abolished.

The purpose of enacting the Act of February 13, 1911 is made quite clear, but this court was not then considering the question of the full extent of the power delegated to this court by that act. Therefore, while the statement in the opinion of this court that "the form in which the transcript shall be printed, the Act provides shall be prescribed by this Court" is correct, it is also true that in the act itself the words "in such form as the Supreme Court of the United States shall by rule prescribe" refer just as much to the preceding words "and of such part or abstract of the proofs" as it does to the words "printed transcripts of the record." In other words, while it is quite true that the act provides that the form in which the transcript shall be printed shall be prescribed by this court, it is also true that this court is also authorized to prescribe the form with reference to the proofs. Certainly this court did not, in the three rules, say, nor did it, we believe, intend, that what it said with respect to the Act of 1911 was the result of authority delegated to this court by that act. No question as to the form of proofs was before the court for consideration nor was it necessary to act in any way involved in the decision.

In the present case, the question of the scope and meaning of the power delegated to this court with respect to the form of proofs, is presented for decision. The question, as we view it, is not in conflict with anything said by this court in the Grace case but relates to a portion of the statute not passed upon by this court in that case. Certainly, some power is delegated to this court by that act with respect to the *form* of "proofs" to be embodied in the record, and, so far as it relates to *form*, this court is given a power which is just as extensive, so far as the subject matter is concerned, as that granted to the Circuit Court of Appeals.

PETITIONER'S POINT II.

It is contended that the Judge of the District Court has certified that the record, as presented to the Circuit Court of Appeals, "is true, complete and properly prepared," and that in consequence, the Appellate Court should not have held that no evidence was properly before it.

In the case at bar, as we pointed out in our Supplemental Statement, the printed transcript of the record, including the unnumbered purported evidence, was not presented to or approved by the District Court or Judge, or found or certified by him to be "true, complete and properly prepared" before it was originally filed by the appellant (petitioner here) in the office of the clerk of the Circuit Court of Appeals on July 3, 1925.

After the motion to dismiss had been filed by appellee (respondent here), on November 9, 1925, appellant (petitioner here), by leave of the Circuit Court of Appeals granted January 28, 1926 (Rec., 64), presented to the District Court or Judge, on March 30, 1926, the original transcript of the record filed in the office of the clerk of

the United States Circuit Court of Appeals on July 3, 1925, and a prepared order. (Rec., 48.) The District Judge signed and entered this order, as prepared and presented, on March 30, 1926, which contains the provision that the printed pages of evidence in the original transcript of the record in question (Rec., 48) as amended and supplemented by the order, is "approved as a true, complete and properly prepared statement of the evidence (including testimony and exhibits therein referred to, and the stipulation of the parties)."

That it was not a "properly *prepared* statement of the evidence," etc., that is to say, *condensed* and *put in narrative form*, in accordance with Equity Rule 75, cannot be disputed. In fact, the order in question specifically provides (Rec., 49) that upon the "*request* of the said defendant (the said Barber Asphalt Paving Company), the court hereby directs that all the testimony in this case be reproduced *in the exact words of the witnesses and not in narrative form.*"

The question presented therefore is whether or not, because of this statement in the order, contrary to the fact, the Court of Appeals was nevertheless required to consider the evidence or had a right to disregard and to refuse to consider the evidence thus presented to it; or whether the District Court or Judge, at the request of the appellant and over the protest of appellee, had the right or power to disregard and abrogate Equity Rule 75 or, as contended by petitioner, whether the Court of Appeals was powerless to do anything, despite this flagrant violation of Equity Rule 75, but to send back the record with directions to the District Court or Judge to obey the rule and thereby to delay still further the termination of the cause and to impose great additional expense and annoyance upon the protesting appellee.

The Court of Appeals held, and we submit, properly held, in the very nature of things and in the light of the decisions of the Supreme Court, and other federal courts, that (Rec., 74), "It is not within the power of the District Court or Judge to make such an order," or to approve such a statement of evidence, in utter disregard and violation of the letter, as well as the spirit, of the rule, and that, therefore, it had a right to wholly disregard the evidence thus presented.

The cases cited and quoted from in the opinion of the Circuit Court of Appeals, we respectfully submit, clearly sustain its holding and action.

The case at bar does not present a matter of discretion or abuse of discretion on the part of the Circuit Court of Appeals in refusing to consider the purported evidence in the transcript of record. In this case we are dealing with an absolute noncompliance with the imperative requirement of Equity Rule 75, that the evidence shall be condensed and put in narrative form. This is not a case in which a part of the evidence was condensed and put in narrative form but held by the Court of Appeals not to be in compliance with Equity Rule 75; thus presenting the question whether the Court of Appeals had abused its discretion in so holding and in refusing to accept and consider the evidence, and thereupon affirming the decree.

In this case, no effort whatever having been made to comply with the rule in the matter of condensation, the evidence could not under the rule be made a part of the record for the purposes of, or to be used on, appeal, and the Court of Appeals had the absolute power to refuse to accept or consider it. This was not a matter of discretion. It was the duty of the Court of Appeals to do what it did and its action is not reviewable.

Three outstanding requirements are indispensably necessary to make the evidence a part of the record in the District Court, and to its certification to the Court of Appeals by the clerk of the District Court, namely, first, the evidence must be put in condensed and narrative form; second, it must be thereupon approved by the District Court in the manner prescribed by the rule; and, third, upon and after being approved, it must be filed in the District Court clerk's office, and thereby made a part of the record of that court.

The condensation, the approval and the filing are all essential, and in the absence of any one of these things, the evidence, for the purposes of appeal, or for use on appeal, cannot be made a part of the record of the District Court and certified to the Court of Appeals by the clerk of the District Court, or considered by the Court of Appeals,—and it was not in the discretion of that court whether or not it should consider it.

The Circuit Court of Appeals in the case at bar correctly held that it was not within the power of the District Court or judge to approve, or to enter an order approving, such a statement of the evidence. Nor was it, we submit, in the power of the Circuit Court of Appeals to accept and consider such a statement of the evidence. For either court to do this would operate as an abrogation of the rule itself.

As the Circuit Court of Appeals of the Second Circuit, in *Hurwood* v. *U. S.* 258 Fed. 811, at 824, in speaking of the force and sanction of Equity Rules 75, 76 and 77, said:

> "There is no power in this Court to exempt a particular case from their operation. The rules having been promulgated under the authority of an Act of Congress have the authority of statutory regulations."

The enforcement of the rule is therefore not reviewable.

The case at bar must therefore be distinguished from the case of the *Lakewood Engineering Company* v. *A. W. French & Company, et al.* No. 200, of the October, 1927, term of this court, and set for oral argument on October 3rd, and also from the case of *Fairbanks, Morse & Co. et al.* v. *American Valve & Meter Co. et al.* No. 262, pending in this court at the October, 1927, term.

In both of these cases, it appears that the evidence was, at least to some extent, condensed and put in narrative form, and therefore they present the question whether or not it was a statement of the evidence in compliance with the rule, and particularly the provision of the rule that "if either party desires it, and the Court or Judge so directs, any part of the testimony shall be reproduced in the exact words of the witness."

It may be, therefore, that these cases present a matter of discretion or abuse of discretion by the Circuit Court of Appeals. It is not so in the case at bar, however.

Furthermore, as we pointed out in our Supplemental Statement of the Case, the evidence thus approved by the order of the trial court or judge was not "*true*" or "*complete*," as required by Equity Rule 75.

It affirmatively appears, from an inspection of that part of the printed transcript which purports to contain the "certificate of evidence" that it is *not true* nor *complete*. For example, in Volume 4, page 1517, there is purported to be set forth Defendant's Exhibit 16; the page, however, does not contain the exhibit, but is blank.

Volume 4, page 1519, purports to set out Defendant's Exhibit 17, but again it is left blank.

Volume 4, page 1563, purports to set forth Defend-

ant's Exhibit "Pennyman Chart," but the page is left blank.

Volume 9, pages 4732, 4733, 4734, 4735, 4736 and 4737 contain memoranda which do not purport or appear to be exhibits introduced in evidence. They are entitled "Choctaw Memorandum," "Memorandum Tank Steamers," "Losses of the Trinidad Lake Petroleum Co. From the Abandonment of Wells," "The Uintah Railway Company," "Inter-Office Correspondence" and "Relationship of B. A. P. and Affiliated Companies, Whose Products are Involved in Patent Action, Standard vs. Barber."

On pages 4776 and 4777 there appears what purports to be Defendant's Exhibit D, which purports to be a statement of the income and costs for accounts considered in manufacturing profits shown on Exhibit C. *The transcript in question nowhere shows that this Exhibit D was ever introduced in evidence.*

As we pointed out in our Supplemental Statement of the Case, the transcript of the record, or so-called "certificate of evidence," shows on its face that out of a total of 196 exhibits introduced and received in evidence by both petitioner and respondent, on both the trial of the infringement and on the accounting issues, 114 are omitted from the alleged certificate of evidence. A detailed statement of the exhibits included and omitted will be found on pages 189 to 196 of the record.

Still again, as we further pointed out in our Supplemental Statement of the Case, the affidavit of Mr. Paul (Rec., 111-115), one of the solicitors for petitioner in the District Court, in the Circuit Court of Appeals and in this court, states expressly and further shows, that in the preparation of this so-called "certificate of evidence" there was an "*immense amount of elimination and con-*

densation," all, however, without the knowledge, concurrence or participation of the District Court or appellee (respondent here. Yet, notwithstanding all this, the District Court, atthe request of petitioner, stated in its order of March 3, 1926, that the so-called certificate of evidence was "true" and "complete."

It will be noted that the order of the District Court in question does not say that the evidence in the transcript of the record is *all* of the evidence offered or received on the trial of the cause. It simply says that it is "approved as a true, complete and properly prepared statement of the evidence (including the testimony and exhibits therein referred to, and the stipulations of the parties)." This is not tantamount to saying it is *all* the evidence offered and received, but if it were, as we have pointed out, the purported transcript of evidence shows on its face that this is not the fact.

The evidence in the transcript being admittedly in incomplete, garbled and emasculated form, the Court of Appeals could not consider the evidence in the uncondensed form in which it appeared, nor could it permit it to be put in condensed and narrative form because of its incompleteness.

It is manifest that in the case at bar, it is not a mere matter of putting "*complete*" evidence in narrative form, but a matter of starting all over again, in an attempted compliance with Equity Rule 75.

Manifestly, it was not only too late, as a matter of general principle, and within the recognized policy of the law, to permit this to be done *at the late date*, petitioner asked leave to do this, namely, after the order of affirmance had been entered, but, as we point out in our Points II, page 74, III, page 75, IV, page 78, VI, pages 82 to 94 inclusive, there were other conclusive reasons why the

Circuit Court of Appeals of right and of necessity refused both to consider the purported evidence or to permit petitioner to put it in the form or to do the other things required by Rule 75.

Counsel for petitioner are in error in their contention that Equity Rule 76, providing "If in the transcript anything material to either party be omitted by accident or error, the Appellate Court, on proper suggestion, or its own motion, may direct that such omission be corrected by a supplemental transcript" was intended to provide for such a situation as the Circuit Court of Appeals considered and had before it in the case at bar, and it should have directed correction of the error by supplemental transcript, instead of disregarding the alleged certificate of evidence, and affirming the judgment, because, as it held, the evidence was not properly before it.

In the first place, Equity Rule 76 does not imperatively require the Circuit Court of Appeals to do this in any case, but simply says it *may* direct it to be done, and clearly, therefore, it is within the sound discretion of the court to do it or not as the case may be.

The provision of Equity Rule 76 is that the Appellate Court "may" direct a supplemental transcript of anything material to either party *"omitted by accident or error."* The failure to properly prepare the certificate of evidence, and obtain its approval, certification and filing, in order to make it a part of the record of the District Court, as required by Equity Rule 75, was not "an accident or error" on the part of petitioner's solicitors, but was a matter of deliberate purpose and intent. Even if Equity Rule 76 were applicable thereto, which we say it is not, the Court of Appeals under the circumstances in the case at bar, was fully warranted in

its discretion to refuse to send back the transcript of the record and the purported certificate of evidence therein, as suggested by counsel for petitioner.

In the second place, however, and conclusively, we submit, Equity Rule 76 simply provides for supplying a deficiency either on motion of the parties, or on the court's own motion, where a diminution of the record is suggested or is apparent. This rule simply authorizes a supplemental transcript of record. It does not authorize the Court of Appeals to direct that something that has not been made a part of the record in the District Court shall be brought up by supplemental transcript. In other words, the Court of Appeals has no authority to direct or order any addition or supplement to the record in the District Court, or the making of something a matter of record in that court that has not been properly made so, and then require the same to be certified up by the clerk by supplemental transcript.

This would be changing the record.

Equity Rule 76 is merely a recognition of a power inherent in every court of review, namely, to direct, either on suggestion or its own motion, the clerk of the lower court to send up by transcript additional parts of the record necessary or appropriate to the review and determination of the cause.

The general rule is thus stated in 4 C. J. 507:

> "The authority to issue a certiorari, or to make similar orders directing a return of a full and complete transcript, is vested in the Appellate Court, and may be exercised in its discretion in all proper cases."

But it is also said (4 C. J. 509):

> "*Certiorari will not be issued to bring up matters not of record or not considered in the Court below.* * * * So allegations of diminution are

not allowable for matters of evidence *where the evidence sought to be brought up is omitted from the bill of exceptions or abstract.*"

PETITIONER'S POINT III.

It is argued under this point that the affirmance of the decree of the court below by the Circuit Court of Appeals was in violation of Section 269 of the Judicial Code as amended, requiring the Circuit Court of Appeals to give judgment after an examination of the entire record without regard to technical errors, defects or exceptions which do not affect the substantial rights of the parties.

Counsel for petitioner are in error in saying that the total failure of petitioner to comply with Equity Rule 75 was a mere technical defect and did not affect "the substantial rights " of appellee (respondent here). The rule contemplates that the evidence prepared by appellant should be submitted to appellee for examination and correction, if necessary. It provides for a judicial hearing in which counsel for appellee may participate with the aid and under the supervision of the trial court in the preparation of a "true, complete and properly prepared" statement of the evidence. Appellee was denied its day in court and this resulted in the filing of an untrue, incomplete and emasculated transcript of the purported evidence and testimony, prepared solely by counsel for appellant and without either the examination and approval of the court or the participation of counsel for appellee.

That this is a valuable and substantial right of which appellee cannot be deprived, has been fully recognized by the Supreme Court and other federal courts.

Manifestly, the Circuit Court of Appeals could not

consider this untrue and incomplete presentation of the evidence and give judgment thereon. Manifestly, also, it had the absolute right to refuse to consider the evidence submitted in its uncondensed form.

Section 269 of the Judicial Code as amended does not and was not intended to apply to a situation such as this. If the section were to be applied as contended for by counsel for petitioner in this case it would to all intents and purposes completely abrogate the rules of court, *nisi prius* and appellate, and all statutory provisions regulating practice and procedure. Of necessity, it cannot and was not intended to be given such a construction and application. Equity Rule 75 was promulgated by the Supreme Court pursuant to the express statutory authority and direction and, as was directly stated in *Buessell* v. *United States*, 258 Fed. (C. C. A. 2nd Cir.) 811, has "the authority of statutory regulation" of equal sanction with Section 269 of the Judicial Code. Properly applied they are not inconsistent but are, on the contrary, in entire harmony. No court, we submit, has ever suggested any such contention as is now urged by counsel for petitioner. On the contrary, the Supreme Court in *Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, and in *Houston* v. *Southwestern Tel. Co.*, 259 U. S. 318, 325, as well as other federal courts, have clearly indicated that a violation of Equity Rule 75 may properly be visited with a dismissal of the appeal or an affirmance and in the Houston case this court refused to consider such evidence, which amounted to an affirmance so far as such evidence was concerned. Even Judge Alschuler, to whom counsel for petitioner so frequently refer, in his dissenting opinion in *R. W. Clark Mfg. Co.* v. *Tablet & Ticket Co.*, attached to petitioner's brief, said that he did not contend that the Court of Appeals was without power "in a proper case

to impose dismissal or affirmance as a consequence of the infraction" of Equity Rule 75 but simply indicated that under the peculiar and wholly different circumstances of that case he believed that an opportunity should have been given to put the evidence in proper form.

All of the foregoing suggestions are quite aside from the conclusive fact that the Court of Appeals could not consider and give judgment upon the purported evidence because it was never filed in the office of the clerk of the District Court and therefore never became a part of the record of that court or properly a part of the transcript of the record filed in the Court of Appeals.

PETITIONER'S POINT IV.

It is contended under this point that *the belated* order of the District Court of March 30, 1926, *entered upon request of appellant (petitioner here)* and ordering that "all the testimony in this cause be reproduced *in the exact words of the witnesses and not in narrative form*" was at most reversible and not an irremediable error, and that the Circuit Court of Appeals should therefore have granted petitioner's motion for leave to procure from the District Court a record complying with its orders or requirements.

What we have already said applies in large part to the point in question.

The utter and flagrant violation of Equity Rule 75 by counsel for petitioner is not a matter of mistake or error in any proper sense of the word. It is a matter of deliberate flaunting of a rule of court, with statutory sanction, that may be properly visited, as this court and other federal courts have said, by a dismissal or an affirmance.

Counsel say that "when the District Court or Judge has certified a statement of evidence as true, complete and properly prepared" and such statement has been filed "*in the clerk's office as prescribed,*" the Circuit Court of Appeals cannot take the position *that no evidence is before it.*

In the first place, the Court of Appeals did not say that "no evidence" was before it. It said in the concluding paragraph of its opinion that because the evidence was "not *properly before*" it refused to consider it and affirmed the decree.

Furthermore, counsel for petitioner are in error in the quotation from their brief in saying that the evidence had "been filed in the Clerk's office as prescribed" by Equity Rule 75. Equity Rule 75 requires the statement of the evidence to be filed in the *District Court* clerk's office, in order to make it a part of the record of the *District Court* for the purposes of the appeal. The purported statement of the evidence in the transcript filed in the Circuit Court of Appeals clerk's office was *never* filed in the District Court clerk's office and never became a part of the record of that court and therefore could never be included in a transcript of the record of that court. For this added reason the Circuit Court of Appeals not only correctly found that no evidence was "properly" before it but could have specifically found, contrary to the contention of counsel, that *no evidence whatever* was before it.

Counsel say that "in no case so circumstanced has this court, or any Circuit Court of Appeals, ever disregarded the record before it, either in whole or in part."

In this counsel are in error.

In *Newton* v. *Consolidated Gas. Co.*, 258 U. S. 165, the court said it would feel at liberty to punish the violation

of the "plain duty" imposed by Equity Rule 75 to the limit of its discretion—"possibly by dismissal of the appeal," and in *Houston* v. *Southwestern Tel. Co.*, 259 U. S. 318, 325, it did what was tantamount to an affirmance, namely, declined to consider the assignment of error predicated upon the evidence in the cause.

And in *Buessell* v. *U. S.*, 258 Fed. 811, the Circuit Court of Appeals of the Second Circuit refused to consider the testimony because it was not in the transcript in conformity to Equity Rule 75.

So in *Roxana Petroleum Co.* v. *Rush*, 295 Fed. (C. C. A. 5th Cir.) 844, 846, the court refused to consider the evidence because of noncompliance with Equity Rule 75.

In both instances, this was equivalent to affirmance.

In *Patterson* v. *Mobile Gas Co.*, 271 U. S. 131, 132, Mr. Justice McReynolds said:

> "The record in this cause has been made up with such disregard of the rules that *we cannot undertake to examine the evidence* or to discuss seriatim the thirty four jumbled assignments of error. *It would be permissible to dismiss the appeal* (*Newton* v. *Consolidated Gas Company*, 255 U. S. 165, 174);"

Not only in the above cases and the cases cited by the court in its opinion, but in numerous cases decided by state courts of last resort, appeals have been dismissed and decrees and judgments of the lower courts affirmed and a review of assignments of error based on evidence refused, because of violation of the rules of the reviewing courts *requiring evidence to be condensed and printed in narrative form*, similar to Equity Rule 75.

Indiana D. & W. Railway Co. v. *Ditto*, 158 Ind. 669; 64 N. E. 222 (1902).

Cleveland C. C. & St. L. Ry. Co. v. *Snow*, 37 Ind. App. 646; 74 N. E. 908.

Caswell v. *Hopson*, 43 S. W. Rep. 547; (Ct. of Civ. App. Texas, 1897).

O'Keefe v. *Beecher*, 17 N. Dak. 404; 117 N. W. 353.

Smith v. *Kunert*, 17 N. Dak. 120; 115 N. W. 76.

Morgan v. *Chittenden Land Co.*, 92 Wash. 364; 159 Pac. 129.

Many other similar or analogous cases are cited in the Appendix.

Under this point it is argued also that the only penalty that may be imposed for the violation of Equity Rule 75 is the imposition of costs.

Whether Equity Rule 76 providing for the imposition of costs for its infraction, applies also to the violation of Equity Rule 75 is debatable and by no means free from doubt. But even assuming that it does so apply, it by no means follows that it is the exclusive or the only permissible action of the Court of Appeals. Neither the Supreme Court nor any Court of Appeals has ever so held. On the contrary, as we have pointed out, the penalty of dismissal or affirmance may be visited in the exercise of the inherent power of the court to protect itself from such imposition. Even the case of *In re General Equity Rule* 75, 222 Fed. (C. C. A. 6th Cir.) 884, 886, cited and relied upon by counsel for petitioner, it was said that "*this drastic remedy may prove to be necessary in some cases*" and Judge Alschuler, whose dissenting opinion is also relied upon, recognized "*affirmance or dismissal as a permissible consequence of noncompliance with Equity Rule* 75."

While recognizing that this court, in *Newton* v. *Consolidated Gas Co.* said it might dismiss an appeal for infraction of Equity Rules 75 and 76, counsel say "no de-

cision has been found where it has even intimated that such destructive power can be exercised by the lower courts."

In the first place, this power, as we have said, is inherent in an Appellate Court and necessary to its protection, whether the Supreme Court or a Circuit Court of Appeals. In the second place, counsel overlook the fact that in the case of *Houston* v. *Southwestern Tel. Co.*, this court, and in the cases of *Buessell* v. *U. S.* the Circuit Court of Appeals of the Second Circuit, and in *Roxana Petroleum Co.* v. *Rush* the Circuit Court of Appeals of the Fifth Circuit, refused to consider the evidence and assignments of error predicated thereon, which, of course, operated as an affirmance so far as the evidence and the assignments of error in question were concerned.

Furthermore petitioner's contention that the right and power of the Circuit Court of Appeals to decide a cause before it, is controlled by Equity Rule 76 and that it has no power to affirm a judgment where there is no evidence for it to pass upon but can only award costs, is, of course, flatly contradictory to the contention of petitioner's counsel that Equity Rule 75 is an attempted invasion of the jurisdiction of the Court of Appeals.

How petitioner's counsel can reconcile an argument putting a construction upon Equity Rule 76 which makes it controlling of the decison and judgment of the Circuit Court of Appeals when the burden of its argument is that Equity Rule 75 is invalid as an unwarranted invasion of the jurisdiction of that court, we cannot understand.

Equity Rule 75 does not attempt in any manner to control the action of the Court of Appeals. Equity Rule 76, if given the construction sought to be placed upon it by petitioner's counsel, would absolutely control the deci-

sion of the Circuit Court of Appeals and deprive it of power to decide according to its judgment.

The further suggestion of petitioner's counsel in their brief (p. 18) that while this court has suggested that it might dismiss an appeal for infraction of Rule 75 no "such destructive power can be exercised by the lower courts," presents an anomalous view. If it is proper for this court to dismiss an appeal for infraction of Rule 75, why should the Circuit Court of Appeals in a case in which it has jurisdiction be required to follow a different course and thus be deprived of the right to adopt the precedent of this court? The argument carries its own answer. The power to so decide is no more "destructive" when exercised by the Circuit Court of Appeals than when exercised by this court, and the intimation that there is some kind of limitation upon the power of the Circuit Court of Appeals to dispose of a case in that way is not even attempted to be justfied either by reason or precedent.

On the contrary, the decision of this court in a case on direct appeal from the District Court seems to furnish the best possible precedent for similar action by the Circuit Court of Appeals in a case within its jurisdiction.

Neither should it be overlooked that the construction placed by petitioner's counsel on Rule 76 ignores the language of that rule, which is clearly not mandatory but permissive, the controlling word being "may."

It is also noteworthy that while petitioner's counsel, throughout their brief, build largely on the dissenting opinion of Alschuler, Circuit Judge, in *Clark Manufacturing Co.* v. *Tablet & Ticket Co.*, they are forced into the position of contending that his views in reference to the present case are erroneous.

PETITIONER'S POINT V.

Counsel say under this point that the Court of Appeals should at least have passed upon the issue of plaintiff's title, as to which the evidence was wholly documentary and incapable of being reduced to narrative form.

Counsel say, "all the evidence upon this issue was in the record and entirely in documentary form." We have nothing but the word of counsel for this. The District Court has not so certified nor does it appear from the transcript of the record and the purported evidence therein. The same is true of the statement of counsel that "no oral testimony was offered upon this issue," and that therefore the requirement of Equity Rule 75 for the condensation of the evidence and the statement of the testimony of witnesses in narrative form did not apply. Certainly the untrue and incomplete and improperly prepared statement of the evidence in the transcript of record on file cannot be used, relied upon or resorted to to sustain any such gratuitous statements of counsel.

As a matter of fact there was oral evidence introduced that had a very material bearing upon the question of title and the right of appellant (defendant below), or anyone else to challenge or question the title of appellee (plaintiff below).

In view of the fact that the solicitors for petitioner who prepared the transcript of the record instructed the clerk of the District Court, by praecipe for record to include only certain documents as exhibits, and admittedly "eliminated" a large part of the exhibits from the record, without consulting either the District Court or coun-

sel for appellee, the Court of Appeals could not properly, even if it desired to do so, pass upon any question of fact in the record. *Out of* 196 *exhibits which were offered in evidence, as appears by the record,* 114 *exhibits, or over one-half, have been "eliminated."* We ask, is this the kind of a record upon which any court of review can base a decision on the question of title to the letters patent involved if the title be in dispute? Manifestly not, it would be an unheard of practice for any court of review to decide any issue of fact upon a record which is admittedly incomplete and which has been emasculated by a solicitor of one of the parties by a process of elimination and inclusion of matter appearing not to have been put in evidence, without the consent of the other party or any supervision by the trial court. If any court should undertake to do so it is hardly necessary to point out what the consequences of such a procedure would be and to what it would open the door in other cases.

The answer is so self-evident that it hardly needs any illumination. The solicitor who prepared the transcript of record and assumed to delete evidence and exhibits which had been offered and admitted in evidence in the District Court, should have applied to the District Court under Rule 75, upon notice to the other party with the opportunity to be heard, to approve his act, and not expect the Court of Appeals to search through 9 volumes of nearly 5,000 pages in order to decide or pass upon the question whether or not the evidence and exhibits he deleted and eliminated from the transcript of record are or are not irrelevant or incompetent upon the question of title or any other issue in the cause.

The suggestion of counsel for petitioner that the Court of Appeals should have passed upon a single

isolated question of fact upon fragmentary documentary evidence and upon an untrue, incomplete and improperly prepared statement of the evidence is, we submit, ill conceived and lacks the merit of precedence or common sense.

Furthermore, as we have pointed out, the purported evidence in the transcript of record is not only untrue, incomplete and improperly prepared, but was never approved and, upon approval, properly certified to and signed by the District Court or Judge and *thereupon filed in the office of the clerk of the District Court* and thereby made a part of the record of that court, and consequently was never properly incorporated by the clerk of the District Court in the transcript of the record in this cause. For this added reason, the Circuit Court of Appeals could not consider the alleged evidence on the question of title because, quite aside from the statement of evidence in condensed and narrative form, the evidence, whatever it may have been, was never before the Court of Appeals at all.

PETITIONER'S POINT VI.

And finally, counsel for petitioner urge that regardless of all of their antecedent contentions, the Circuit Court of Appeals, in view of all of the surrounding circumstances, failed in this case to exercise a sound discretion in refusing to afford petitioner the opportunity to comply with Equity Rule 75.

We contend, on the contrary, that not only did the Circuit Court of Appeals not abuse its discretion but that under the circumstances it could not have granted the belated request of counsel for petitioner, who for more than a year stood in defiance of the plain, affirmative and

imperative language of Equity Rule 75, after full notice and admonition and in the face of respondent's objections and motion to dismiss, based upon this violation and noncompliance with the rule, without doing grave injustice and injury to respondent.

The chronology of events referred to in the opinion of the Circuit Court of Appeals (Rec., 68), and set forth in respondent's supplemental statement of the case (*ante*, pages 2-3) shows conclusively, we submit, the long delay to which respondent was subjected by petitioner in the perfecting of its appeal, and the submission of the cause to the Circuit Court of Appeals. This delay, and the further great delay and added cost and expense to which respondent would have been subjected, if the request of petitioner to begin all over again in an effort to comply with Equity Rule 75 had been granted, quite aside from other essential and controlling considerations, manifestly had its influence with the Circuit Court of Appeals.

We charge that this chronology shows deliberate and intentional delay. Although the printed transcript of the record was filed July 3, 1925, appellant withheld filing in the Circuit Court of Appeals clerk's office,—as it was its duty to do under the rules of that court—twenty-five copies of this same printed record (which, of necessity, petitioner had in its possession during this time) until November 21, about four months later. Immediately upon being served by the clerk with a copy of this printed record, respondent proceeded to prepare its motion to dismiss, and its objections, based upon the violation and utter failure to comply with Equity Rule 75, and filed the same on November 9, or seven days after being served. The motion came before the Court of Appeals on November 9, and was taken and reserved to the final determination of the cause.

After petitioner was thus admonished on November 9, 1925, it waited two months before it again proceeded, and on January 4, 1926, made its motion to remit the transcript of the record to the District Court for the purpose of obtaining from it a certification of the evidence and testimony of witnesses. Counsel were permitted to file briefs, and the argument of the motion was set for January 29, 1926.

That the violation of Equity Rule 75 was strongly and insistently urged by respondent, and sought to be avoided or justified by petitioner, is conclusively shown from the excerpts of their respective briefs (Rec., 129-132), set out in respondent's supplemental statement of the case. (*Ante*, pages 10-13.)

In the face of respondent's motion to dismiss and objections, and insistence that Equity Rule 75 be complied with, respondent uncompromisingly stood out against such compliance.

On January 29, 1926, the Court of Appeals entered an order on appellant's motion for leave to transmit the printed transcript of the record to the District Court for further certification, but expressly provided in the order, at the end, "It is further ordered that the effect and validity of such certificate, if obtained, should be reserved for the final determination of this cause."

Thus, petitioner, being fully admonished by this reservation of the Court of Appeals, as well as the motion and objections and brief and argument of respondent, nevertheless waited two months, namely, until March 30, 1926, before going to the District Court under the order of January 29, 1926.

Even then, and in the face of these admonitions, petitioner did not attempt to comply with Equity Rule 75 by condensing the evidence, and putting the testimony

of witnesses in narrative form, but contented itself with obtaining from the court the entry of the order of March 30, 1926, and the filing of a certified copy of this order in the Circuit Court of Appeals. It did not get the District Court or Judge to attach or append his certificate and signature to that part of the transcript of the record purporting to contain the evidence and testimony of witnesses in uncondensed form, *nor did it even file* the same in the office of the clerk of the District Court so as to make it part of the record of the District Court, as the Equity Rules specifically require. Petitioner simply took back and redeposited the original nine volumes of transcript of record in the office of the clerk of the Circuit Court of Appeals, with an additional small printed volume, No. X, containing a certified copy of the order of March 30, 1926.

On October 6, 1926, when the cause came on for oral argument, counsel for respondent called attention to its pending motion and objections, and filed additional reasons for the dismissal of the appeal (Rec., 65), among which were that the order of Judge FitzHenry, entered on March 30, 1926, as set forth in the supplemental transcript of record filed April 13, 1926, page 4913, and in the Supreme Court Record, p. 48, was entered without jurisdiction, and was void, and did not amount to or constitute a certification of the alleged evidence, and that said alleged evidence had never been certified to by the District Court, and had never been made a part of the record in the cause, and also that it appeared from the purported transcript of the record that neither the purported testimony taken on the infringement issue, or on the accounting, was complete in that it appeared that out of a total of 196 exhibits received in evidence on the trial of the above issues, 114

thereof were wholly omitted from the purported transcript of the record.

The whole matter of petitioner's violations of Equity Rule 75 were thus submitted to the Circuit Court of Appeals by petitioner with full knowledge on its part of such violations, and without having made any attempt to rectify them. On the contrary, it sought to evade the rule by having the District Judge do that which the rule expressly forbids, namely, direct that "all the testimony be reproduced in the exact words of the witnesses." Petitioner evidently did not choose to go to the trouble or the expense of submitting to the delay necessary to comply with the rule, but elected to take its chances. It gambled that it could circumvent the rule. It lost. It was not until after the Circuit Court of Appeals had held that it would not consider the evidence in the condition in which it was presented, *more than a year after petitioner's attention was called by respondent to the infringement of the rule*, and *to respondent's position in respect thereto*, that petitioner asked the Court of Appeals for permission to make an effort for the first time to comply with the rule.

We submit it was then, and is now, too late for petitioner, after it had submitted these matters to the determination of the court, and after they had been decided adversely to petitioner, to come in and ask the court to set aside its action, and to permit petitioner to start all over again. To allow this would be to run counter to the whole policy of the law and the courts.

The remarks of Mr. Justice Nelson in *United States v. Adams*, 9 Wall. 554, are strikingly applicable to this phase of the case. He said (p. 559):

> "The remedy, in case the Court of Claims falls into a mistake as to the finding of the facts, is familiar. It is by an application to this court to re-

mit the case back for correction, if it be shown, satisfactorily, that a mistake has been committed.

In the case before us, it is admitted that the mistake was known to the party and his counsel in season to have had it corrected before hearing; but, relying on its immateriality, no step was taken to have the correction made. We do not doubt but that this opinion was honestly entertained, and that this motion is made in good faith; but it is impossible not to see that, if granted, the precedent might lead to great abuse and delay in the hearing of these cases. We should allow either party to lie by till the cause was decided, and the opinion delivered, and then to apply for the correction, as the exigency of the case might require, or as the materiality of the fact might appear from the ground upon which the decision was placed. On an appeal, the parties were entitled to have all the facts proved in the case before the court below, in the judgment of the court, truly found, and stated in the record, that either deemed material to the decision; and, as we have seen, the remedy is ample to correct any mistakes committed, if applied for prior to the hearing in this court. The Court are not willing to go farther, and permit the remedy to be applied after the case is heard and decided, as we fear that such a precedent would work greater injustice and hardship, in its general use and application, than that which may exist in any particular case."

As was said in *Blusse* v. *United States*, 263 Fed. (C. C. A. 2nd Cir.) 961:

"We are not insensible to the fact that the dismissal of a cause without passing on the merits, because the inadvertence of counsel has disregarded an established rule of procedure, is to impose upon the litigant an extreme penalty. At the same time we are compelled to adhere to established rules of orderly procedure, which experience has shown to be important in the administration of justice. The rules respecting the preparation of a case to be brought to an Appellate Court on writ of error are not uncertain and are not obscure, and it is to be assumed that they are familiar to counsel. A fail-

gates, at the present time, approximately $870,000. But, be that as it may, we have yet to learn that the application and enforcement of the law and the rules of court are to be governed or influenced by the amount of money involved.

In support of their contention under Point VI, counsel say that the Circuit Court of Appeals, without warning, reversed its practice of many years standing, which petitioner followed in good faith and on the best advice it could obtain.

We submit this is entirely aside from the question. Whatever the practice may have been, respondent, as we have shown, was vigilant in asserting its rights and invoking the protection of the rule as both Judges Page and Alschuler said.

Respondent's insistence was not merely technical, or merely that the evidence was not put in proper form. Its objections were substantial, and that it had been deprived of a real, valuable and undeniable right, namely, the right under the rule to have the District Court pass upon the evidence to be used on the appeal, to the end that as the rule expressly says, the certificate of evidence be "true, correct and properly prepared", as a condition precedent, which, being approved by it, and thereupon being filed and made a part of the record of the District Court for the purposes of the appeal, and the right also to participate and be heard by the court to the same end, of all of which respondent claimed it had been deprived by the improper and *ex parte* actions of petitioner, and in consequence of which, the purported transcript of the evidence submitted to the Court of Appeals was not true or complete, but as it showed on its face, and as the petition for rehearing and the affidavit of petitioner's solicitor admit, is incomplete, deleted and

emasculated, and contains matter never put in evidence at all.

Whatever the practice of the Court of Appeals may have been, we submit that respondent was entitled to the enforcement of the rule in its protection.

This court said, in the case of *Newton* v. *Consolidated Gas Co.* 258 U. S. 165, that "These Rules (Equity Rules 75 and 76) were intended to protect the courts against useless and burdensome records, *and litigants from unnecessary costs and delay.* Counsel ought to comply with them, and the trial court should enforce performance of this plain duty."

Respondent was entitled to the enforcement of this plain duty, and to protection from unnecessary further costs and delay.

The Court of Appeals recognized the rights of respondent in this respect, *and Judge Alschuler specifically differentiated the case at bar from the case of R. W. Clark Mfg. Co. vs. Tablet & Ticket Company, in his dissenting opinion, by pointing out that in the case at bar "the appellee insistently moved and urged dismissal of the appeal because of noncompliance with the rule," thus indicating that he would not have dissented from the action of the court in the case at bar.*

Whatever the action of the Circuit Court of Appeals may have been in other cases, *we assume that verity* will be attached to the statement of Judge Evans in the prevailing opinion in the case of R. W. Clark Mfg. Co. vs. Tablet & Ticket Company, that "for fourteen years the courts have appealed to the Bar to comply with the rule" and that "they have scolded and they have threatened", but, regardless of this, respondent was insisting upon its rights, and the enforcement of the plain, unmistakable and imperative requirements of the rule

in its protection, as stated by this court in *Newton* v. *Consolidated Gas Company, supra.*

Counsel for petitioner call attention to a number of other cases in which the appellants were given leave to conform to Equity Rule 75, saying "In petitioner's case alone has such opportunity been denied."

The reason for this action of the Court of Appeals is patently manifest.

In the other cases referred to, the uncondensed testimony in the form of questions and answers, and without being put in narrative form, was incorporated in the transcript of the record filed in the Court of Appeals *by stipulation of the parties,* and in certain instances, in addition, *with the affirmative approval* of the trial court. It is thus manifest that both parties participated in those cases in the violating of the rule of court, and, particularly, Rule 75, and that, therefore, the appellees were in no position to ask for the enforcement of the rule, and did not do so.

Under those circumstances, none of the appellees in the other cases was in a position to complain or oppose the action of the court in permitting the testimony to be put in narrative form because of the delay that might be involved, or the expense involved, or for any other reason.

This, however, was not the situation in the case at bar. Respondent in this case is in a position to rightfully and equitably ask the protection of the court against the unnecessary cost and delay, not only involved in the violation of the rule in the first instance, but particularly in the delay and expense involved at this late date in granting relief to petitioner to now put the evidence in "simple and condensed" and in "narrative" form.

Respondent in the case at bar did not stipulate and thereby preclude itself, as did the appellees in the other cases, but, on the contrary was from the beginning earnest and vigilant in claiming the protection of the court under Equity Rule 75, and in insisting upon the performance by appellant of its plain duty, to use the words of this court in the Newton case, and thereby relieving appellee, to use the language of the Court of Appeals in the *R. W. Clark Mfg. Co.* case, of the unnecessary expense and unnecessary delay which unavoidably follows an attempt to dispose of litigation in such an awkward and cumbersome manner.

Under the title "The History of this Particular Record", (page 24), counsel for petitioner make many astonishing statements.

Thus it is said that the record establishes that petitioner's counsel, far from having any disposition to violate the rules, have taken throughout the utmost pains to present their record in the form which they believed would be most acceptable to the Circuit Court of Appeals.

To evidence this, it is said that Mr. Paul, one of petitioner's counsel, relied upon the advice of his senior local counsel, the late Mr. Edward Rector, of Chicago, and thereupon proceeded to ignore utterly the clear and imperative mandates of Equity Rule 75 in every particular.

Equity Rule 75 is as plain and unambiguous as language can make it. There is no mistaking its meaning or its imperative character. It is not merely affirmative and directive in form, but on the contrary is first negative and then affirmative in form, the language being,

> "the evidence to be included in the record *shall not* be set forth in full but shall be stated in simple and condensed form * * * and the testimony of witnesses being stated *only* in narrative form."

That counsel for petitioner understood that the failure to condense and put in narrative form and to otherwise comply with the essential requirements of Equity Rule 75 was involved and included in the motions and objections of respondent, is conclusively shown by the excerpts from the briefs of petitioner and respondent set forth in respondent's supplemental statement of the case. (*Ante*, pages 10-13.)

Counsel refer (p. 24) in their brief to the praecipe filed with the clerk of the District Court and served upon the attorneys for appellee "*directing the certification of the entire oral testimony in question and answer form.*"

THE PRAECIPE DID NOT CALL FOR ANY SUCH THING, AS APPEARS UPON ITS VERY FACE. (Rec., 42.)

As the opinion of the Circuit Court of Appeals (Rec., 69) shows and as we pointed out in our supplemental statement of the case (p. 5) the praecipe merely referred to "certificate of evidence consisting of printed pages 24 to 1215 inclusive; pages 1222 to 4591 inclusive, and the following exhibits:" and certain but only a very small part of the exhibits.

As we have pointed out in our supplemental statement of the case, there was no certificate of evidence on file or of record in the office of the clerk of the District Court to which the praecipe referred.

Counsel say (p. 25) "no objection was ever made by appellee to this praecipe nor did it ever file or serve any other praecipe."

Counsel for appellee were not required to do anything of the kind. The reference in the praecipe to the alleged certificate of evidence was utterly meaningless since there never was any certificate of evidence and, of course, the praecipe asking the clerk to include something in a transcript of record that was never filed or made a part

of the record was an utter nullity, which counsel for appellee were not required to recognize, as was well pointed out by the Circuit Court of Appeals of the Seventh Circuit in *Fairbanks Morse & Co.* v. *American Valve & Meter Co.*, 18 Fed. (2nd) 716, as follows (p. 717):

> "On appeal this court, in a sense, hears the case *de novo*, but it must not be forgotten that it hears it, not as a trial, but as a reviewing, court. The case is heard here upon such parts of the record, made in the court below, as the parties deem necessary to review certain questions raised and decided there. The record in the trial court ordinarily consists of the process, pleadings, report of the master, if there be one, and the decree. The evidence is not of itself part of the record, but may be made so 'in case of appeal' only in accordance with clause (b) of equity rule 75. When the evidence has been so made a part of the record in the court below, clause (a) of the rule provides how it may 'be incorporated into the transcript on such appeal'. Except as provided in equity rule 77, litigants have no power to stipulate what the record here shall contain."

Counsel for petitioner "put the cart before the horse." Under Equity Rule 75 a praecipe could not issue and become operative under Section (a) of that rule until after Section (b) of the rule had been complied with and a statement or certificate of evidence and testimony of witnesses had been *approved* by the District Court or Judge and *filed* in the District Court clerk's office *and thereby made a part of the record* of the cause in that court.

Counsel further say (p. 25) that appellee's motion to strike the evidence from the transcript of the record made no point respecting the condensation of the record. This is wholly erroneous. The third ground of this motion is as follows (Rec., 54):

> "3. The purported transcript of the record filed in said cause shows that the purported evidence and testimony purporting to have been taken on the

trial of said cause before the District Court was not approved by the Court or Judge before whom said cause was tried and was not signed, certified to or authenticated by said Court or Judge, and was never filed with such approval, certification or authentication in the office of the Clerk of said District Court, and never became a part of the record in said cause for the purposes of the appeal herein; *all as required by Rule* 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof, said purported proceedings, evidence and testimony should be stricken from the said purported transcript of record and disregarded and not considered by this Court, and because and in consequence thereof also the decree of said District Court entered on February 20, 1917, appearing on page 1217 of said purported transcript of record, and said purported proceedings, evidence and testimony, is not subject to review by this Court."

At the same time, on November 9, 1925, there were filed and presented to the Circuit Court of Appeals certain objections of appellee to the motion of appellant to separate and divide the argument in the cause. Among the objections was the following (Rec., 56):

"4. The purported evidence appearing in the purported transcript of the record filed herein is not stated in simple and condensed form, and the purported testimony of witnesses is not stated in narrative form, but on the contrary thereof, said purported evidence and testimony is set forth in full, all contrary to Rule 75 of the Rules of Courts of Equity of the United States, and because and in consequence thereof all of said evidence and testimony should be stricken from the purported transcript of the record in this cause and disregarded by this Court."

The third ground in support of appellee's motion directly charged that the evidence taken before the District Court had never been "approved" by the Court or Judge, as required by Equity Rule 75. The approval by the court under Equity Rule 75 necessarily involved

compliance with the antecedent requirements of the rule as conditions precedent to such approval as follows:

First, stating the evidence to be included in the record "in simple and condensed" and "in narrative form," which duty rested primarily upon appellant; second, lodging "the same in the Clerk's Office for the examination of the other parties at or before the time of filing his pracipe under paragraph (a)" of the rule; third, notifying the other party or its solicitors of such lodgment; fourth, naming the time and place where appellant would ask the court or judge to approve the statement; fifth, a hearing thereon before the court or judge.

Therefore, we submit that the statement above referred to that the evidence had not been approved as required by Equity Rule 75 of necessity and unmistakably charged that none of the conditions precedent to such approval had been complied with. It is, we contend, sticking in the bark, to say that respondent should have set forth each and all of these conditions precedent.

And continuing appellee said in this ground for its motion, not only that the evidence had not been approved, as required by Equity Rule 75, but also, "was never filed with such approval" in the clerk's office, "and never became a part of the record in said cause for the purposes of the appeal herein; all as required by Equity Rule 75," etc., providing specifically, "when approved, it shall be filed in the Clerk's office and become a part of the record for the purposes of the appeal."

It could only be filed and become a part of the record, as the rule provides, after it had been approved, and it could not be approved until the antecedent requirements had been complied with, as was specifically held by the Circuit Court of Appeals for the Seventh Circuit in *Fairbanks Morse & Co.* v. *American Valve etc. Co.*, *supra*.

Ground (4), *supra*, of objection to appellant's motion to divide the argument, above set forth in full, does specifically charge that none of the evidence in the purported transcript of the record is condensed and put in narrative form, but is set forth in full, "all contrary to Equity Rule 75," and concludes by urging that all of the evidence "should be stricken from the purported transcript of the record in said cause and disregarded by this Court." Here, certainly, is a direct and specific statement of noncompliance with Equity Rule 75, and the insistence that the evidence should be stricken and disregarded. Certainly, here the protection of the rule is invoked and the Circuit Court of Appeals so regarded it.

Counsel for petitioner say (p. 25) that the Circuit Court of Appeals ordered the transcript remitted to the District Court in order that a certificate of evidence to the trial record might be obtained and "the record otherwise amended *in certain minor points*." The Court of Appeals made no such direction but granted the order, no doubt, in order to enable counsel for petitioner to comply with Equity Rule 75, in accordance with the insistent contentions of counsel for respondent in the argument and briefs filed by order of court on the matter of petitioner's motion for leave to transmit the record for certification, etc.

Counsel say also (p. 25) that "no objection whatever was made on the said hearing by appellee to the provision of the order directing reproduction of the full testimony" and that therefore counsel for "respondent must be considered as having waived whatever objection it might have had to the reproduction of the full testimony" as fully and conclusively as if it had expressly stipulated to that effect, and (p. 26) its whole attitude amply justified petitioner's belief that the

transcript of evidence was in form satisfactory to the respondent as well as to the Court."

These are indeed amazing statements, in view of the indisputable record in this case.

As we have pointed out and as the Court of Appeals and Judge Alschuler in his dissenting opinion did also, counsel for respondent were always insistent in their objection that Equity Rule 75 had been in no manner complied with and this, as we have shown, was fully argued by both counsel for petitioner and counsel for respondent in the briefs filed on the motion of counsel for petitioner to remit the record to the District Court.

On March 30, 1926, counsel for petitioner appeared in the District Court with the prepared order of March 30 and the original purported transcript of the record, in nine volumes, and asked the court merely for the order of March 30, 1926. They did not present a statement of the evidence in condensed and narrative form, but simply presented the original transcript filed in the Court of Appeals and asked for the entry of the order of March 30 in respect thereto. Counsel for respondent, under the circumstances, stood upon their unquestionable rights, and, as the order specifically recites (Rec., 48), appeared "specially, solely and only for the purpose of challenging the power and jurisdiction of the court to entertain the motion herein and to grant relief herein prayed." In other words, counsel for respondent challenged the right and power of the court to violate the provisions of Equity Rule 75, as the order presented to it by counsel for petitioner requested it to do and also the jurisdiction and power of the court, after the expiration of the term and the perfecting of the appeal, to enter such an order.

Counsel for petitioner say (p. 26) that if Judge

Alschuler had sat in the argument of the case at bar he would not have made the statement in his dissenting opinion to the effect that the case at bar is to be distinguished from the other cases by reason of appellee's insistent objection to the uncondensed record.

Judge Alschuler was of course fully familiar with the situation in the case at bar and obviously made this statement advisedly and correctly, as did the Court of Appeals itself, or he would not have made it at all.

Without answering at length the statements of counsel concerning the delays in the disposition of the case at bar, permit us to say that we submit that the record shows, as the Court of Appeals clearly pointed out, the most inexcusable delay and procrastination in the prosecution of the cause, particularly, after the entry of the final decree of April 30, 1924. (Rec., 40.) See also the chronology of events in our supplemental statement, *ante*, pages 2-3.

In the light of all the foregoing considerations, we are at a loss to understand the statement of counsel (p. 27) that

> "after the record had been filed in the Court of Appeals respondent made a purely technical objection based upon the omission of the judge's signature in the certification of the record, necessitating the remitting of the whole record to the District Court for recertification and thus delaying the argument for nearly a year."

Again, it is said (p. 27), that on October 6 the court gave no intimation that it might decline to consider the evidence on account of the manner in which it was presented. Presumably the court assumed, in view of the objections of the respondent in its briefs filed on the matter of the motion for leave to remit the record for further certification in January, 1926, and the insist-

ence therein that Equity Rule 75 be complied with, that counsel for petitioner would, upon the granting of its motion on January 29, 1926, do what Equity Rule 75 required. Presumably also the Court of Appeals did not know what had been done in this respect until the cause came on for argument on October 6. Counsel for petitioner had made their bed; and we submit that they cannot escape responsibility, as they are seeking to do, by shifting it upon the court.

Again they say that on October 6, 1926, respondent did not make any motion to dismiss the appeal because of failure of appellant to comply with Equity Rule 75, but merely moved to dismiss the suit upon five new technical grounds. (p. 27.) This, as we have shown, is contrary to the fact. Counsel specifically, and before the argument on the merits, stated that it stood upon its motion and objections theretofore filed (Rec., 52-57) and which the Court of Appeals, by its order denying petitioner's motion for separate hearings of November 9, 1925, had continued to the hearing on the merits of the cause, the order reciting (Rec., 58) "the motion of appellee to strike portions of the record be and the same is hereby continued to the hearing on the merits of this cause." At the same time, counsel for respondent filed the additional motion and the grounds therefor of October 6, 1926. (Rec., 65.) This additional motion was, by specific order of court on October 6, 1926 (Rec., 67), also taken under advisement.

And in referring to the additional motion of October 6, 1926, counsel say (p. 27) the objections therein "were chiefly to the effect that petitioner had too greatly condensed the proof." Here counsel refer to the objections in the motion of October 6, 1926, that out of a total of 196 exhibits offered by appellee and appellant, and received in evidence on the trials of the infringement and

accounting issues, 114 had been entirely omitted from the purported transcript of the record and had never been certified to or filed in the Circuit Court of Appeals. This they call "condensation" of the proofs. *Condensation, under Equity Rule 75, does not mean irresponsible, and unauthorized omission and elimination of exhibits or other evidence or testimony.*

Counsel urge that because the Circuit Court of Appeals had not previously insisted upon compliance with Equity Rule 75, therefore, its action in refusing to consider the improperly prepared evidence and emasculated record and in refusing to give counsel for petitioner a second opportunity, with additional delay and great expense to appellee, to comply with their duty under Equity Rule 75, was an abuse of discretion. We have, we submit, sufficiently answered this contention.

Reference is made to an examination which was made "immediately preceding the filing of the petition for rehearing" of the records in the Circuit Court of Appeals in other cases. We are not advised of the circumstances under which the transcripts of record were made up in those cases. It may very well be that counsel in those cases stipulated that the evidence should be reproduced in full and in narrative form, as they did in the particular cases decided by the Court of Appeals shortly after the case at bar, in which it subsequently permitted the parties to comply with Equity Rule 75. A vastly different situation is, as we have shown, present in the case at bar. Whatever the petitioner may have been advised had been the practice in the Seventh Circuit is of no materiality, because a year before the case was argued, petitioner's attention was expressly directed to the fact that the respondent would contend that the court should not consider the evidence in the transcript of the record because it was not prepared as

required by Rule 75. In the face of this objection, petitioner did not attempt to comply with Equity Rule 75 but sought to evade it. In short, it would appear, the petitioner complains that the court elected to commence the enforcement of this rule against petitioner rather than against some other appellant.

Counsel, in calling attention to the fact that in certain other cases decided immediately after the case at bar, the Circuit Court of Appeals permitted the parties to put the record in the form required by Equity Rule 75, say (p. 31) that "no reason whatever appeared for the selection of this petitioner as the solitary victim."

We have already abundantly shown that very substantial reason existed and was recognized by the Court of Appeals and even adverted to by Judge Alschuler in his dissenting opinion, in the Clark case, printed in full as an appendix to petitioner's brief as follows:

> "*While in Barber Asphalt the appellee insistently moved and urged dismissal* of the appeal *because of noncompliance* with the rule, in this case, as in most, if not all, the others the transcript was prepared *under stipulation of counsel for all parties and consent of the trial Judge.*"

This litigation had lasted over twelve years. More than ten years had elapsed since the interlocutory decree was made, and nearly three years since the final decree was entered. The petitioner had been found guilty of infringement. During all this time, respondent had been deprived of the money which the final decree adjudged it was entitled to receive. Surely, under these circumstances, the discretion of the Circuit Court of Appeals should not be exercised in favor of the petitioner, who flagrantly ignored and attempted to circumvent, over the objection of the respondent, a rule of practice which this court has considered so important as to justify it in refusing to consider evidence and as-

signments of error based thereon not made up in accordance therewith.

Notwithstanding the contentions of counsel, the action of the Court of Appeals in refusing to consider the evidence and in affirming the decree, and in denying petitioner's application for further indulgence and delay, was the usual and proper course of procedure in all courts under similar circumstances. We have already shown that this court, and other federal courts, have refused to consider evidence brought before them in violation of Equity Rule 75, which is, of course, tantamount to affirmance, so far as the evidence and assignments of errors based thereon are concerned.

In the federal and state courts, the refusal to consider evidence after affirmance or dismissal of an appeal for failure to observe rules similar to Equity 75, or other rules of appellate procedure and practice, is usual and general.

We attach as an Appendix "A" a list of such cases.

POINTS PRESENTED AND URGED BY RESPONDENT.

In addition to the contentions urged by respondent in support of the action of the Circuit Court of Appeals and in opposition to the points made by petitioner, respondent urges the following affirmative and additional reasons why the Circuit Court of Appeals was right in refusing to consider the purported evidence in the transcript of the record before it and in affirming the decree and in denying petitioner's motion, (made in its petition for rehearing, (Rec., 77) on December 31, 1926, after the order of affirmance had been entered), for an order "directing the lower court to now entertain procedure in accordance with Equity Rule 75b to bring about a statement of the evidence in simple and condensed form" and for "a writ of certiorari to the lower court to bring up to this court such simple and condensed statement as a part of the record on appeal."

Point I.

The Circuit Court of Appeals properly refused to consider the purported evidence because it had not been condensed and put in narrative form, in violation of Equity Rule 75.

We do not deem it necessary to say more in support of this contention than was said in the opinion of the Circuit Court of Appeals itself and than we have already said in answer to the points of petitioner.

Point II.

The purported evidence in the transcript of the record was never, prior to the filing of the transcript in the Court of Appeals on July 3, 1925, presented to or approved by the District Court or Judge, nor was the same filed, upon and after such approval, in the office of the clerk of the District Court, and thereby made a part of the record of the District Court, as specifically required by Equity Rule 75.

In consequence, the clerk of the District Court had no right or authority to include this purported evidence (whether in uncondensed or narrative form) in the transcript of the record filed in the Circuit Court of Appeals, and the Court of Appeals would have had no right to consider the same.

Under Point IV, *post*, page 78, we present our argument in support of our contention that "*filing*" in the District Court clerk's office is an indispensable prerequisite after "*approval.*"

Point III.

The order of March 30, 1926, entered by the District Court at the request of appellant (petitioner here), approving the purported evidence in the transcript of the record, was ineffective because, as a matter of law, such approval could not be evidenced by an independent order such as that of March 30, 1926, but required the certificate and signature of the District Court or Judge to be attached or affixed to the purported evidence in the transcript itself for the purposes of proper identification and authentication, which, however, the District Court or Judge did not do.

The approval of a certificate of evidence, endorsed and identified by the certificate and signature of the trial judge attached thereto, is indispensable to its being filed and made a part of the record in the cause, and in the absence of this an alleged certificate of evidence cannot be included in and made a part of the transcript of such record by the clerk of the court and cannot be considered by the Court of Appeals.

This is, we submit, elementary as a general principle of law.

It is, moreover, we contend, required by Equity Rule 75.

Equity Rule 75 does not say in words, as does the statute governing bills of exceptions, that the certificate of evidence must be signed by the judge. It says that when settled it shall be "*approved* by the judge" and "when *approved* it shall be filed in the clerk's office and become a part of the record for the purposes of the appeal." It is clear, of course, that this means that it cannot be made a part of the record until "*approved*."

The word "*approved,*" however, of necessity involves evidence of approval, and this evidence must, we submit, consist of the signature of the judge attached or appended to the evidence approved, otherwise it does not constitute certification or authentication.

The Circuit Court of Appeals in *Re Jewell Electrical Instrument Co.*, 283 Fed. (C. C. A., 7th Cir.) 978, 980, expressly said that under Equity Rule 75 it is "appellant's duty to procure the trial judge's *certification* of the evidence (*like a bill of exceptions on the law side*)," and as it was held in *Wong Keow* v. *U. S.*, 215 Fed. (C. C. A., 7th Cir.) 95, a certificate of evidence under Equity Rule 75 as well as a bill of exceptions, "*has to be authenticated by the trial Judge.*" Without certification and signature there is no evidence of approval within the meaning of this rule, justifying its being made a part of the record by filing.

The rule as to bills of exceptions is clearly and conclusively established, namely, that the signature of the judge is essential.

It was so held in *Origet* v. *U. S.*, 125 U. S. 240; 8 Sup. Ct. Rep. 846, and in *Malony* v. *Adsit*, 175 U. S. 281; 20 Sup. Ct. Rep. 115.

In *Insurance Company* v. *Lanier*, 95 U. S. 171, it was held (Sylb.):

> "A bill of exceptions, *allowed* and *signed* or *sealed by the judge*, is the only mode by which his rulings during the progress of the trial, or his charge to the jury, *can be rendered a part of the record.*"

And continuing this court said:

> "*But, even if the facts occurred as certificated by the clerk, his statement that they occurred does not bring them upon the record so as to make them the subject of review.* There is but one mode of bringing upon the record and making a part of it the rul-

> ings of a judge during the progress of a trial, or his charge to the jury, and that is by a bill of exceptions *allowed and sealed or signed by the judge.*"

In *Buessel* v. *U. S.* 258 Fed. (C. C. A. 2nd Cir.) 811, 822, 823, after an exhaustive review of this whole question, the court held (Syllabus):

> "Under Equity Rule 75b until the statement of the evidence in an equity case has been approved by the trial court or judge, it is not a part of the record for purposes of appeal."

And the court continuing pointed out that this was true even before the adoption of Equity Rule 75, saying:

> "Prior to Rule 75 testimony in an equity case *had to be made in some way a part of the record.* It did not become a part of the record *simply because it had been given or received* in the court below, *even though it found its way into the transcript.*"

In *Carson* v. *Hurt*, 250 Fed. 30, 33, the court said:

> "The record contains a statement of evidence adduced by the opposing parties, which their respective counsel certified was 'Examined and found correct.' This statement was not approved by the Court or Judge, pursuant to Equity Rule 75. Nothing in it shows that it contained all, or the substance of all, the evidence adduced. The contrary not appearing, it is to be presumed that the Court's findings were supported by evidence other than that which the record on appeal discloses."

The Court of Appeals of the Seventh Circuit held in *Wong Keow* v. *U. S. supra*, that this is equally applicable to *a certificate of evidence in equity*, since, as the court there said:

> "Form is not of the essence, *since each has to be authenticated by the trial judge.*"

Point IV.

Entirely aside from the question whether such approval could be properly evidenced by the independent order of March 30, 1926, or required the certificate and signature of the judge to be attached or affixed to such evidence in the transcript, as we contend, the purported evidence in the transcript never was made a part of the record of said District Court by filing the same in the office of the clerk of the District Court after the entry of the order of March 30, 1926, as required by Equity Rule 75, even if the order of March 30, 1926, be treated as an approval, which we contend it cannot, within the meaning of Equity Rule 75.

Because of the foregoing considerations therefore, the purported evidence never was properly or effectively made a part of the transcript of the record filed in the Circuit Court of Appeals, and hence, was of necessity properly disregarded by that court.

WHEN APPROVED BY THE DISTRICT COURT OR JUDGE, THE STATEMENT OF THE EVIDENCE MUST BE FILED IN THE OFFICE OF THE CLERK OF THE DISTRICT COURT IN ORDER TO MAKE THE SAME A PART OF THE RECORD OF THE CAUSE IN THAT COURT FOR THE PURPOSES OF THE APPEAL, AND IN THE ABSENCE OF SUCH FILING IT DOES NOT BECOME A PART OF THE RECORD FOR THE PURPOSES OF THE APPEAL AND CANNOT BE INCLUDED BY THE CLERK OF THE DISTRICT COURT IN THE TRANSCRIPT OF THE RECORD NOR CONSIDERED BY THE CIRCUIT COURT OF APPEALS ON APPEAL.

This, we submit, is made clear beyond controversy by the language of Equity Rule 75 itself. Its language is:

"When approved, it shall be filed in the clerk's

> office and become a part of the record for the purposes of the appeal."

From this language, and from the general scope and purpose of the rule, we submit this is tantamount to saying that *it shall not* become a part of the record of the District Court for the purposes of the appeal, so that it may be certified to the Circuit Court of Appeals by the clerk of the District Court, unless and until it shall have been filed in the office of the clerk of the District Court, when and after it shall have been approved by the District Court or Judge.

Furthermore, it is a general principle that no document can be made a part of the record in a cause except by filing in the office of the clerk of the court.

The rule is thus stated in 21 C. J. 553:

> "The fundamental idea of the chancery practice was that all proceedings, *including the evidence*, must be made a matter of record, and therefore, all evidence, documentary or otherwise, *must be filed*, except documents already of record or made a part of the pleadings of the party in whose behalf they operate, and admitted in the pleadings of the opposite party."

The filing of the evidence, after approval by the court, in the office of the clerk of the District Court, is indispensable also in order to make certain and absolute the identification of the evidence that has been approved. In the absence of this, such identification becomes a matter of extraneous proof and collateral inquiry which would be intolerable to any court of review.

The alleged certificate of evidence, or purported evidence in the transcript of the record, therefore, was never properly or effectively included in such transcript and could not be considered by the Court of Appeals.

Furthermore, the order of March 30, 1926, purporting to "approve" the purported evidence and directing it to

In *Larson* v. *Seattle*, 121 Wash. 75; 208 Pac. 54, the certificate of the trial judge stated that the transcript contained all the evidence *which appellant asked him to certify*, and not that it contained all the evidence. The transcript was stricken on motion.

In *Rupert* v. *United States*, 181 Fed. (C. C. A., 8th Cir.), 87-89, it was said:

> "The clerk is without authority to certify up anything except that made of record by the orders of the court."

To the same effect is *United States* v. 337 *Cases of Wine*, 1 Woods (U. S., 5th Cir.) 47.

Point VI.

The Circuit Court of Appeals did not err in refusing to grant petitioner's belated motion of December 31, 1926, (Rec. 77) for leave to procure from the District Court a record complying with Equity Rule 75, because such an order would have been a nullity, since it would have directed the District Judge to do an act which, as a court or judge, he was powerless to perform.

The term having passed, and the appeal having been perfected, the cause was pending solely in the Circuit Court of Appeals, and the District Court had lost all jurisdiction. Any act of the District Court, or any order purporting to be made in this cause, changing, adding to or amending the record herein, would have been *coram non judice*.

The Circuit Court of Appeals therefore properly refused to direct the District Court or Judge to perform a judicial act in a cause not pending in that court (except where a mandate staying the cause is granted and it is thereupon redocketed.)

Respondent contends that the Circuit Court of Appeals of right and of necessity denied appellant's motion, made December 31, 1926, after the order of affirmance, in connection with its petition for rehearing (Rec., 77) for "an order directing the lower court to now entertain procedure in accordance with Equity Rule 75 (b) to bring about the statement of the evidence in simple and condensed form," and for "a writ of certiorari to the lower court to bring up to this Court such simple and condensed statement as a part of the record on appeal," because, first, the term at which the final decree was entered had expired for much over a year; and, second, the appeal to the Circuit Court of Appeals had been fully perfected for more than a year.

On both grounds, the District Court had completely lost jurisdiction of "the *cause*, the *parties* and the *record*," (*Jennings* v. *Phila. B. & W. R. Co.*, 218 U. S. 255) and was without *power* "to add to or amend or alter the record in any way." (*Bronson* v. *Schulten*, 104 U. S. 410, and many other cases there cited to sustain both propositions.)

A.

A certificate of evidence, the same as a bill of exceptions, must be settled, "approved" and signed and filed within the term or within such extension as the court may grant, and the court has no power or jurisdiction to do so thereafter.

In *Jennings* v. *Phila. B. & W. Ry. Co.*, 218 U. S. 255; 31 Sup. Ct. Rep. 1, a bill of exceptions was signed and filed after the expiration of the term, no order extending the time having been entered. It was held that the trial court had no power to sign the bill of excep-

tions and it was therefore disregarded and the judgment of the court below affirmed, the court saying:

> "The judge and the court had lost all power over the *cause*, the *parties* and the *record*."

We call the court's particular attention to this case, which, we believe, conclusively supports our contentions.

So in *Mich. Ins. Bank* v. *Eldred*, 143 U. S. 293, the same was held, the court saying (p. 298):

> "*By the uniform course of decisions*, no exceptions to rulings at a trial can be considered by this court unless they were taken at the trial, and were also embodied in a formal bill of exceptions presented to the judge *at the same term, or within a further time allowed by order entered at that term*, or by standing rule of court, or by consent of parties; and, save under very extraordinary circumstances, they must be allowed by the judge and filed with the clerk during the same term. *After the term has expired*, without the court's control over the case being reserved by standing rule or special order, and *especially after a writ of error has been entered in this court*, all authority of the court below *to allow a bill of exceptions then first presented, or to alter or amend a bill of exceptions already allowed and filed, is at an end. United States* v. *Breitling*, 20 How. 252; *Muller* v. *Ehlers*, 91 U. S. 249; *Jones* v. *Grover & Baker Co.*, 131 U. S. Appx. 150; *Hunnicutt* v. *Peyton*, 102 U. S. 333; *Davis* v. *Patrick*, 122 U. S. 138; *In re Chateaugay Co., Petitioner*, 128 U. S. 544."

In *Bronson* v. *Schulten*, 104 U. S. 410, this court clearly shows that the rule stated in the foregoing cases is of general application and extends as much to the equity side as it does to the law side of the court.

The court among other things said (p. 415):

> "*In this country all courts have terms and vacations.* The time of the commencement of every term, if there be half a dozen a year, is fixed by statute, and the end of it by the final adjournment of the court for that term. *This is the case with re-*

gard to all the courts of the United States, and if there be exceptions in the State courts, they are unimportant. *It is a general rule of the law* that all the judgments, *decrees* or other orders of the courts, however conclusive in their character, are under the control of the court which pronounces them during the term at which they are rendered or entered of record and they may then be set aside, vacated, modified, or annulled by that court.

But it is a rule equally well established, that after the term has ended all final judgments and *decrees* of the court pass beyond its control, unless steps be taken during that term, by motion or otherwise, to set aside, modify, or correct them; and if errors exist, they can only be corrected by such proceeding by a writ or error or appeal as may be allowed in a court which, by law, can review the decision."

And continuing, the court said (p. 417):

"The question relates to the *power* of the courts and *not to the mode of procedure*. It is whether there exists in the court the authority to set aside, vacate, and modify its final judgments after the term at which they were rendered. • • •

We are also of opinion that the general current of authority in the courts of this country fixes the line beyond which they cannot go in setting aside their final judgments *and decrees*, on motion made after the term at which they were rendered, far within the case made out here. *If it is an equitable power supposed to be here exercised, we have shown that a court of equity*, on the most formal proceeding, taken in due time, *could not, according to its established principles, have granted the relief which was given in this case.*"

From the earliest times this court has held that a court of equity has no power after the term to set aside, modify or correct its decrees.

Cameron v. *M'Roberts*, 3 Wheat 591.

Sibbald v. *U. S.*, 12 Pet. 488.

There would seem to be no room for doubt that this

rule of necessity extends equally to the approval and certification of a certificate of evidence in equity.

It will be observed that there is nothing in the statute, governing bills of exceptions, providing when the bill of exceptons must be signed and filed, whether within the term or otherwise. Yet, as was held in *Bronson* v. *Schulten, supra*, "*it is a general rule of the law*" that upon the expiration of the term the trial court has, as was said in *Jennings* v. *Phila. B. & W. Ry. Co., supra*, "lost control of the cause and had no authority *to add to or take from this record.*"

The mere fact that Equity Rule 75 does not fix the time within which a certificate of evidence must be approved and certified by the court and filed in order to make it a part of the record in the cause, cannot abrogate this "*general rule of law*" applicable to equity as well as to common law causes, since, as we have said, the statute governing the signing and filing of bills of exceptions is equally deficient in this respect. As the Supreme Court of the United States has said (*Bronson* v. *Schulten, supra*) "it is a general rule of the law" and "relates to the *power* of the courts and *not to the mode of procedure.*"

In 15 Ruling Case Law, 677, Sec. 128, it was said that the reason for the rule is that "during the whole term in which any judicial act is done, *the record* remains in the breast of the judges of the court, and therefore *the roll* is alterable during the term as they shall direct. *But when the term is past the roll is the record, and admits of no alteration.*"

And continuing, it is said:

> "*Not even a court of equity* is considered as having the power to vacate or annul its own judgment or decree beyond the term at which it was pronounced."

See, also, to the same effect:

21 C. J. 706, 707 and note 76.

10 A. L. R. 561 and 562.

The general rule is recognized and stated by the Supreme Court of Illinois in *Miller* v. *Anderson*, 269 Ill. 608, 613:

> "The practice as to settling and signing certificates of evidence *in chancery* cases *has always been the same in this State as in settling and signing bills of exceptions.*"

In *Conductors' Benefit Association* v. *Leonard*, 166 Ill. 154, it was said (p. 157):

> "It is undoubtedly true, as contended by appellee that *a certificate of evidence*, when duly signed and filed, is a part of the decree (*Bennett* v. *Bradford*, 132 Ill. 269), and *that a motion for leave to file a certificate of evidence is a motion for leave to amend the decree* (*Ibid*)."

B.

When an appeal has been fully perfected, nothing remaining to be done to that end, the exclusive jurisdiction of the cause is vested in the Court of Appeals pending the appeal, and the trial court loses all jurisdiction over the cause and its record and the parties, and cannot be reinvested with jurisdiction or authority to add to or take from the record by approving and certifying to a certificate of evidence, any more than a bill of exceptions or otherwise, either on its own motion or by the Court of Appeals.

In *Jennings* v. *Phila. B. & W. Ry. Co.*, 218 U. S. 255; 31 Sup. Ct. Rep. 1, a bill of exceptions was signed by the trial judge after the term and after an appeal bond was approved and filed. The court, in holding that for

both reasons the court was without jurisdiction and power so to do, among other things said:

> "No order had been made in term time for the filing of such a delayed bill. *Not only had the term closed, but an appeal had been allowed and perfected.* The trial court had thereby lost control of the cause, and *had no authority to add to or take from the record.*"

And continuing the court said:

> "The proceeding was *coram non judice*. Appellee was not in court or *before a court*. The judge and the court had lost all power over *the cause, the parties* and *the record.*"

Under Equity Rule 75, appellee's counsel have a right to be heard on the settling of the certificate of evidence. Manifestly, the rule does not contemplate an arbitrary power in the District Court, or in the Court of Appeals, to direct the District Court to settle the certificate of evidence, and thereupon approve and certify and sign the same, without giving counsel for appellee an opportunity to make the showing provided for in the rule itself. If, however, as the Supreme Court has said, the close of the term, and especially the perfecting of the appeal, has resulted in the District Court losing all power over *the parties* as well as the *cause* and the *record*, we ask how can appellee now be required to participate in a *judicial hearing* in the District Court for the purpose of *judicially* settling the certificate of evidence?

That the *settling* and "*approval*" of a certificate of evidence involves a *judicial hearing* and act, is self-evident and is shown by the cases cited by us under Division C, *post*.

In *Mech. Ins. Bank* v. *Eldred*, 143 U. S. 293, a bill of exceptions was signed by the judge and filed during the term at which judgment was entered. After the ex-

piration of the term, and after a writ of error was sued out and entered in the Supreme Court, the judge on the application of plaintiff's attorneys ordered the original bill of exceptions *to be amended by adding two exceptions* to rulings made by him on the trial, and signed the same *nunc pro tunc* as of the date of the signing of the original bill of exceptions, and ordered it to be filed *nunc pro tunc* as of the date of its filing.

The court held, as we have before shown, not merely that the power of the court terminated with the expiration of the term, but this was especially true after a writ of error had been entered in the Supreme Court.

In *Blisse* v. *U. S.* 263 Fed. (C. C. A. 2nd Cir.) 961, 965, the court expressly held that after an appeal or writ of error has been perfected the lower court is without authority to sign a bill of exceptions, or, "to proceed further until the writ of error has been heard and determined and the case remanded to it," saying that, "when a writ of error is perfected the cause comes within the authority of the Appellate Court alone," citing in support *Mich. Ins. Bank* v. *Eldred, supra; Jennings* v. *Phila. B. & W. Ry. Co., supra; Hovey* v. *McDonald*, 109 U. S. 150, 157; 3 Sup. Ct. 136, and other cases.

And the court further said (p. 967):

> "*The signing of a bill of exceptions after the expiration of the term is a grave matter*, and it is a peculiarly grave matter when it is signed 15 *months after the expiration of the term.* If it is to be justified by the consent of the United State's attorney, we do not think that his consent should rest upon his silence and upon inferences. We are also of the opinion that his consent, even if expressly given, *would be ineffective, if the writ of error had already removed the case into this court.*"

In *First National Bank* v. *State National Bank*, 131 Fed. (C. C. A. 9th Cir.) 430, the court said (p. 431):

> "*The overwhelming weight of authority of the*

state courts is that an appeal, properly perfected, absolutely removes the case from the trial court, and places it in the appellate tribunal. The case must, of necessity, either be in the Appellate or lower court. *It cannot very well be in both courts at the same time.* Such a course would lead to endless confusion. *Under all the ordinary rules of practice,* the Appellate Court alone would have the jurisdiction. After the cause leaves the lower court, it is deprived of taking any action *upon any question involved in the appeal.* Many of the authorities in the state courts upon this point are collected and cited in Elliott's App. Procedure 541. *The Federal authorities are substantially to the same effect.*"

This language was used in connection with an appeal in a bankruptcy proceeding, in which the rules governing causes in equity apply.

So in *Re Gustin*, 281 Fed. (D. C. Mich. 1922), 320, it was held that after an appeal had been taken in a bankruptcy proceeding (which is in its nature an equity proceeding), the lower court had no power to strike from the records certain of the pleadings, the court saying:

> "As the effect of this was to *transfer the jurisdiction* of this court over this cause and its power to proceed further therein to the appellate court, this motion cannot be considered by me, at least unless and until the proceedings have been remanded for that purpose."

In *Keyser* v. *Farr*, 105 U. S. 265, 266, which was an equity proceeding, it was said:

> "After the acceptance of the bonds for the appeal and *the docketing* of the cause in this court, the jurisdiction of the court below was gone. *From that time the suit was cognizable only in this court.*"

To the same effect is *Draper* v. *Davis*, 102 U. S. 370, which was also an equity case.

So in *Kendrick* v. *Roberts*, 214 Fed. (D. C. Ga.) 268, it was held that the District Court, after approving a supersedeas bond, made a part of the record in the case,

which had been filed in the Circuit Court of Appeals on writ of error, has no jurisdiction to vacate the supersedeas, the court saying:

> "The jurisdiction of the Appellate Court over the case *now is complete;* it having been transferred to that court, and therefore *entirely* removed from the jurisdiction of this court."

In *Omaha Electric L. & P. Co.* v. *City of Omaha*, 216 Fed. (C. C. A. 8th Cir.) 848, 855, which was a chancery proceeding, it was said:

> "It is a universal rule that the perfecting of an appeal *transfers the cause* to the Appellate Court, and that it remains there until it is remitted to the trial court by the sending down of the mandate."

Citing many cases.

In *Morrin* v. *Lauler*, 91 Fed. (C. C. N. Y.) 693, it was held that it is the rule in the federal courts that when all the steps necessary to perfect an appeal have been taken, the action is within the control of the Appellate Court, and a motion for substitution of the appeal bond must be addressed to that court, saying:

> "The trial court should not engage in undoing or modifying the proceedings by which such jurisdiction has been obtained."

See, also:

> Fed. App. Jurisdiction and Procedure (Zoline) par. 646.
>
> *Harding* v. *Oregon-Idaho Co.*, 110 Pac. 412, 414, 57 Ore. 34.

In the case at bar every step necessary to the perfecting of the appeal was taken, long before the motion under consideration was made as we have shown.

C.

The settling and signing of a bill of exceptions or a certificate of evidence is not a ministerial, but is on the contrary a judicial act, and cannot be exercised unless the judge has jurisdiction of the cause and the parties and control over its record, which was not true in the case at bar, as we have shown.

In 4 Corpus Juris, 247, it is said:

> "The settling and allowance, that is, *determining* the *correctness* of the bill, *is a judicial act*, and therefore cannot be performed by the Judge in his individual capacity."

On page 251, it is said:

> "Since the determination of what shall be incorporated in a bill of exceptions is in the nature *of a judicial act* to be performed by the exercise *of judicial power*, it cannot be delegated to another."

As was said by the Supreme Court in *Bronson* v. *Schulten, supra:*

> "The question relates to the *power* of the courts and *not to the mode of procedure.*"

In *Oxford & Coast Line R. Co.* v. *Union Bank*, 153 Fed. (C. C. A. 4th Cir.) 723, the court in holding that a bill of exceptions cannot be considered by the Appellate Court unless allowed and signed during the term, or within the time extended by an order made during the term, among other things said (p. 726):

> "The signing of a bill of exceptions is *a judicial act* which much be performed by the judge who tried the case, and the performance of this duty cannot be delegated to another, nor can the judge after the time within which the bill of exceptions is required to be signed, *cure an omission or failure to sign the same by certifying that it was allowed, settled and signed within the time allowed by law.*"

And again (p. 727):

> "The Court below is the sole judge *as to what transpired* during the progress of the trial, and it must *judicially determine* the same when the bill of exceptions is presented, and after having done so, it then becomes the duty of the judge to affix his signature thereto."

All these observations are equally true of a certificate of evidence.

That this is a judicial and not a ministerial act is shown also by the following cases:

Malony v. *Adsit*, 20 Sup. Ct. Rep. 115; 175 U. S. 281.

Mallers v. *Whittier Machine Co.*, 170 Ill. 434.

Young v. *City*, 173 Ill. App. 311.

Citizen's St. R. Co. v. *Heath*, 154 Ind. 363; 55 N. E. 744.

Winter v. *People*, 51 Pac. 1006; 10 Colo. App. 510 (aff. 27 Colo. 136, 60 Pac. 344).

Va. Devel. Co. v. *Rich Patch Iron Co.*, 37 S. E. 280; 98 Va. 700.

Cincinnati Traction Co. v. *Ruthman*, 96 N. E. 1019; 85 Ohio St. 62.

Morgan v. *Perkins*, 113 N. W. 583; 150 Mich. 64.

Herren v. *Merrilees*, 54 Pac. 467; 7 Okla. 261.

Darden v. *Williams*, 45 S. W. 669; 100 Tenn. 414.

In *Hake* v. *Strubel*, 121 Ill. 321, 327, it was said:

> "The settling and allowance, signing and sealing, a bill of exceptions, under the law, considered as a single act, is, *in its nature, both judicial and ministerial. It is judicial in this*, that the trial judge *must adjudge* whether the bill presented is, under the law a proper bill for him to sign, and *he alone must decide* whether, in its recitals and contents, it conforms to the fact; *while the mere act of signing and sealing* a bill, *after the judicial act* of settling and allowing it has been performed by the judge, *is purely ministerial.*"

This language is peculiarly applicable to the provisions of Equity Rule 75, providing the manner in which the evidence taken *in equity causes* shall be settled and approved, *involving a judicial hearing*, participated in by *both parties*, and consideration and action by the court.

The order requested by petitioner could not properly have been entered, because the evidence under Equity Rule 75 must be settled, approved, certified and filed in the manner provided by this rule, which involves giving appellee an opportunity to be heard, and judicial consideration and determination by the District Court.

If the *settling* and *approval* of a certificate of evidence involves *a judicial hearing* and *act*, how can it be performed if the District Court has, as the Supreme Court said in *Jennings* v. *Phila. B. & W. Ry. Co.*, *supra*, lost jurisdiction of the *parties*, as well as of *the cause* and its *record*?

D.

The following cases, holding that the settling and approval and filing of a certificate or statement of the evidence, under Equity Rule 75, is a ministerial act and may be done after the term and the perfecting of an appeal, we contend, are unsound and should not be followed.

In re General Equity Rule 75, 222 Fed. 884.
Struett v. *Hill*, 269 Fed. 247.
Sussex Land Co. v. *Midwest Refining Co.*, 294 Fed. 597, and
Goodwin v. *United States*, 295 Fed. 856.

We respectfully submit that the holdings in these cases are not only not supported by, but are contrary to, the plain letter of Equity Rule 75 and the holdings of

the Supreme Court and the principles of law this court has announced, as well as the general rules of law universally recognized and applied.

In 222 Fed. 884, no decision of the Supreme Court is cited in support.

It is said that Equity Rule 75 fixes no time within which the statement of evidence must be settled and filed. The same is true of a bill of exceptions, and yet "the general rule of law" (*Jennings* v. *Phila. B. & W. Ry. Co.*, 218 U. S. 255; *Bronson* v. *Schulten*, 104 U. S. 410) is that the lower court has no "*power*" to settle and sign a bill of exceptions after the expiration of the term, or an extension of time entered within the term; and especially, as was said in the cases referred to by us, *supra*, after a writ of error or appeal has been perfected.

It is not said that these rules of law are not of general application, extending to equity as well as common law cases, and no cases are cited to sustain any such claim.

It is said that undoubtedly the better practice is to settle and sign the certificate of evidence under Equity Rule 75 before the appeal is perfected, or the term expires. If this be the better rule, we ask where is the authority for the worse or the contrary rule laid down by the court. As the court said in *Bronson* v. *Schulten*, *supra*, this is a question of power, not mode of procedure or practice.

It is said that where appeals are required within thirty days or ten days the time may be wholly insufficient. The answer is that this can be rectified either by an extension of time into the next term, or by a modification of the rule that fixes too short a time. It is, we submit, no justification for the abrogation of the rule. Short periods are prescribed in state statutes for appeals and

writs of error, and yet the general rule in the state courts is to require the bill of exceptions or certificate of evidence, as the case may be, to be filed within the term, or a proper extension, or in any event before the writ of error or appeal is perfected.

And the court says that the expiration of the term may very commonly be forgotten. The same is true of bills of exceptions, and yet the rule is strictly applied. We do not understand that forgetfulness on the part of counsel can abrogate the rules of courts.

The court says that it is not satisfied that the analogy between bills of exceptions and certificates of evidence is close enough to justify the incorporation of the harsh rule governing bills of exceptions into the practice pursuant to Rule 75.

We submit they are absolutely analogous, since both are intended to make a matter of record the proceedings of the court below, and to preserve them for the purposes of review in the Court of Appeals, as was expressly held by the Circuit Court of Appeals for the Seventh Circuit, in *Jewell Electrical Instrument Company*, 283 Fed. 978, and *Wong Keow* v. *U. S.*, 215 Fed. 95, and as the many cases we have cited clearly show.

Nor have we ever heard this rule characterized as a harsh rule, and can hardly bring ourselves to believe that the rule would have remained in existence and would have been consistently enforced by the federal as well as state courts if it were a harsh rule and worked injustice.

It is in the light of these considerations that the court concludes that the trial court had power to approve and direct the filing of the statement of evidence after the expiration of the term. We respectfully submit that the court has given no sound reason or justification for its

conclusion in the light of the decisions of the Supreme Court and of the other federal courts, we have cited.

The court says that the same general view leads it to the conclusion that the perfecting of the appeal by the approval of an appeal bond and the signing of a citation does not deprive the trial court of jurisdiction to settle the evidence. While recognizing the general rule with reference to the ousting of jurisdiction by the perfecting of an appeal, it says that "upon the whole the proceeding is rather ministerial." We have abundantly shown, we submit, that the action is not ministerial, but is essentially judicial, the *Jennings case*, 218 U. S. 255, characterizing it as *a grave matter*.

Furthermore, it seems that the general views laid down by the court were not intended to be final, nor to establish a general future practice, but were only to apply "during the transition in the general practice," the observations of the court having been laid down in 1914, and only a short time, about a year or so, after the new Equity Rule 75 was adopted, the court further saying that the sending of a record back for correction or the dismissal of the appeal, or the striking of the evidence from the record, "may prove to be necessary in some cases, but we are reluctant to apply it now."

It will be noted that it is now fifteen years since Equity Rule 75 was adopted, and that the transition period has long since passed.

In *Struett* v. *Hill*, 269 Fed. 247, the court seems to have been influenced largely by the views expressed in 222 Fed. 884, saying that it is "in agreement with the view of the court" in that case.

The general observations we have made concerning the latter case apply equally to the former.

Let it be noted also that in 222 Fed. 884 and 269 Fed. 247, the courts confine themselves to situations in which the appeal has been perfected only to the extent of the filing of an appeal bond, assignment of errors and signing of citation. They do not speak of a situation such as in the case at bar, where in addition to all of the foregoing the cause had been *docketed* in the Circuit Court of Appeals and *a transcript of the record*, the *printed record* and the *briefs had been filed*, and appellee had been compelled to and had entered its appearance, so that full jurisdiction over the appellee existed. Nor do they refer to a situation in which not only had a transcript of the record been filed, but the time in which to file the same, under the rule of the Court of Appeals had also long since expired.

In *Sussex Land & Live Stock Co.* v. *Midwest Refining Co.*, 294 Fed. 597, 600, the claim was made that no statement of evidence was approved and filed within the term, or some extension entered during the term. The court simply said "this contention is not well founded," citing in support the two above mentioned cases. If the court gave this matter any real consideration, it is not reflected in its opinion.

In *Goodwin* v. *United States*, 295 Fed. 856, the court also dismisses the same contention with respect to the necessity of approving and filing a certificate of evidence under Equity Rule 75 within the term, or an extension, by saying that "the limitation to the trial term does not extend to the settling of such a statement of evidence" under Equity Rule 75, citing in support only 222 Fed. 884.

We submit that under the circumstances shown in this case and the extraordinary condition of the record the

order of the Circuit Court of Appeals was clearly right and should be affirmed.

Respectfully submitted,

CHARLES EVANS HUGHES,
ALEXANDER F. REICHMANN,
THOMAS G. HAIGHT,
FRANK L. BELKNAP,
WILLIAM F. HALL,
Counsel for Respondent.

APPENDIX A.

I. Appeals affirmed or evidence stricken because testimony not in narrative form.

Opperman v. *Petri*, 107 S. W. (Tex.) 1142.

Stricken, because not in narrative form, though the judge made up the statement in question and answer form, the court holding that the policy of the court rule and statute was best served by requiring the judge, as well as the attorneys, to put the statement in narrative form.

Brown v. *Vizcaya*, 54 S. W. (Tex.) 636.

Evidence stricken because not in narrative form, the court saying it cannot fail to strike "without disregarding its duty."

Griffin v. *Burrus*, 292 S. W. (Tex.) 561.

Judgment affirmed where statement of facts not in narrative form, and case depended on the facts.

Dolson's v. *Sheridan Stove Mfg. Co.* 178 S. W. (Tex.) 663.

Albrecht v. *Lignoski*, 151 S. W. (Tex.) 886 and 154 S. W. 354.

Albers v. *Roberts*, 150 S. W. (Tex.) 596.

Cookville Coal & Lumber Co. v. *Evans*, 135 S. W. (Tex.) 750.

Evidence stricken because not in narrative form.

Wentworth v. *King*, 49 S. W. (Tex.) 696.

Statement stricken because not in narrative form, though agreed upon.

Peoples v. *Evans*, 111 S. W. 756; 50 Tex. Civ. App. 225.

Evidence stricken because not in narrative form, and the court refused to consider motive for putting evidence in form presented.

McWilliams v. *Ft. Stockton Irrigated Lands Co.*, 156 S. W. (Tex.) 556.

Evidence stricken and judgment affirmed for failure to put evidence in narrative form.

O'Keefe v. *Beecher*, 117 N. W. 353; 17 N. Dak. 404.

Smith v. *Kunert*, 115 N. W. 76; 17 N. Dak. 120.

Cleveland C. C. & St. L. Ry. Co. v. *Snow*, 74 N. E. 908; 37 Ind. App. 646.

Indiana D. & W. Ry. Co. v. *Ditto*, 64 N. E. 222; 158 Ind. 669.

Barger v. *Halford*, 24 Pac. 699; 10 Mont. 57.

Court refused to consider evidence brought up in question and answer and not in narrative form, contrary to rule.

II. Appeals dismissed or judgment affirmed for failure to comply with miscellaneous rules of court.

Wade v. *Leach*, 2 Fed. (2nd) (C. C. A. 5th Cir.) 367.

Appeal dismissed for failure to file proof of service showing portions of record to be incorporated under Equity Rule 75.

Babcock v. *Johnson*, 53 N. E. 241; 22 Ind. App. 97.

Appeal dismissed for failure to comply with court rule requiring index and marginal notes to abstract.

Davis v. *Wall*, 55 S. E. 350; 142 N. Car. 450.

Appeal dismissed because exceptions not numbered, nor briefly and clearly stated, nor index put in front of record, as required by rule, the court saying this was an alternative remedy, but was applied to discourage further infraction.

Greenwood v. *Randall*, 111 U. S. 775.

Judgment affirmed because the record failed to state in proper form the questions argued.

Harty v. *Victoria*, 33 Sup. Ct. 4 (226 U. S. 12).

Carter County v. *Schmalstig*, 127 Fed. (C. C. A. 6th Cir.) 126.

Wong Sang v. *U. S.* 144 Fed. (C. C. A. 1st Cir.) 968.

Dismissed for failure to enter appeal before return day of citation in accordance with rule of court.

Selma and M. R. Co. v. *Louisiana Nat'l Bank*, 94 U. S. 253.

Appeal dismissed because docket fee not paid in time.

Green v. *Elbert*, 137 U. S. 615.

Same held, though plaintiff, member of bar, pleaded ignorance of rules, but held no excuse.

Corinne M. C. & S. Co. v. *Johnston*, 13 Pac. 17; 5 Utah 147.

Appeal dismissed for failure to file transcript in time under rule of court.

Chadwick v. *People*, 206 Ill. 122.

Appeal dismissed of court's own motion for failure to make index to abstract required by court rule.

Mason v. *Linn*, 67 Atl. 61; 218 Pa. 161.

Appeal dismissed, because no brief statement of errors relied on filed with notice of appeal, in accordance with court rule.

Whinrey v. *Starr*, 74 N. E. 32; 35 Ind. App. 623.

State v. *Lankford*, 62 N. E. 624; 158 Ind. 34.

Dixon v. *Poe*, 62 N. E. 628; 158 Ind. 54.

Baubletts v. *Krug Park Amusement Co.* 81 S. W. (Mo. App.) 1179.

Dismissed for failure to file copies of brief as required by rules.

Chinn v. *Davis*, 18 Mo. App. 539.

Appeal dismissed for failure to comply with rule requiring service of abstract and brief on appellant.

Cunningham v. *School District*, 215 S. W. (Mo.) 249.

Affirmed, where abstract of record did not conform to rule of court.

Rumfelt v. *Trinity River C. & H. M. Co.* 24 Pac. 276; 83 Cal. 649.

Appeal dismissed where transcript written and not printed, as required by rules.

Howlett v. *Tuttle*, 15 Pac. 342; 10 Col. 222.

Pearson v. *Household S. M. Co.* 14 S. W. 890; 78 Tex. 385.

Carriger v. *Kennedy*, 33 N. E. 907; 134 Ind. 107.

Appeal dismissed where not filed in time prescribed by rule.

Wetmore v. *Wetmore*, 51 N. Y. St. Rep. 274.

Appeal dismissed for failure to comply with court rule as to serving printed copies of appeal papers.

III. Appeals dismissed or judgment affirmed for miscellaneous reasons.

Burr v. *Henry*, 80 N. W. 900; 59 Neb. 301.

Appeal dismissed for failure to authenticate certain papers, though clerk's certificate attached, but did not expressly cover all papers.

Grant v. *Grant*, 46 Iowa 478.

Davenport v. *Ells*, 22 Iowa 296.

Affirmed where certificate of clerk to transcript merely states it contains all evidence on file, and not all evidence heard and considered.

Grigsby v. *Purcell*, 99 U. S. 505.

Dismissed for failure to docket appeal or file transcript within the term.

Hamilton v. *Moore*, 3 Dall. 371.

Blair v. *Miller*, 4 Dall. 21.

Castro v. *U. S.* 3 Wall. 46.

State v. *Demarest*, 110 U. S. 400.

Norton v. *Brownsville*, 129 U. S. 505.

Dismissed because writ of error or appeal not prosecuted in time.

Mussina v. *Cavazos*, 6 Wall. 355.

Affirmed because bill of exceptions not signed or sealed by trial judge.

Edmonson v. *Bloomshire*, 7 Wall. 306.

Villabolos v. *U. S.* 6 How. 81.

Appeal dismissed, because not taken in time, though neither party objected. Court said rule technical, but prescribed by Congress, and must be followed.

Western Union v. *Todd*, 54 N. E. 446; 22 Ind. App. 701.

Appeal dismissed because transcript not authenticated by clerk.

Ditch v. *Sennott*, 116 Ill. 288.

Appeal dismissed because no assignment of errors inserted in record, although set forth in abstract of record.

Voges v. *Davison*, 306 Ill. 357.

Writ of error dismissed, apparently on court's own motion, because no assignment of error in record, although argued in briefs.

APPENDIX B.

Additional cases showing the attitude of courts toward the belated attempts of appellants to amend records.

So in *Oxford & Coast Line R. Co.* v. *Union Bank*, 153 Fed. (C. C. A. 4th Cir.) 723, 728, it was said:

> "While it is not the policy of the court to dismiss writs of error and cases on appeal on account of slight technicalities, at the same time, the rules of this court, as well as the rules of the Circuit Court, are plain and easily understood. In this instance, the provision of the statute relating to the question at issue is *mandatory* and *must be enforced*. It is incumbent upon attorneys who practice in the federal courts to observe and strictly follow the rules of practice and procedure in preparing and presenting bills of exceptions." (*Michigan Ins. Bank* v. *Eldred*, 143 U. S. 298.)

Continuing, the court said:

> "It is essential to the orderly procedure of the courts that attorneys should comply with the rules relating to the same; otherwise, it would be useless to promulgate rules for the guidance of those who may seek to review the action of the lower court."

And the court quotes with approval from Mr. Justice Story on Equity Pleading (Sec. 544), as follows:

> "The want of due form constitutes a just objection to the proceedings in every court of justice, for to reject all form would be destructive of the law as a science, and would introduce great uncertainty and perplexity in the administration of justice. Every irregularity of this sort is fraught with inconvenience and generally tends to delays and doubts. And it has been well remarked that infinite mischief has been produced by the facility of courts of justice in overlooking errors of form. It encourages carelessness and places ignorance too much on a footing with knowledge amongst those who practice the drawing of pleadings."

In *Barlass* v. *Kargus*, 87 N. W. 800; 111 Wis. 611, application was made after the argument for leave to with-

draw the record and return same to the trial court for the purpose of obtaining a proper certificate, and was denied, the court saying (p. 801):

> "We have found it necessary to adhere closely to the rule that the record must be complete when a case is placed upon the assignment for argument."

In *Allen* v. *LeMoyne*, 101 Ill. 655, the court held that an application to amend the record made after decision, and pending an application for rehearing, comes too late, saying:

> "Such a practice would be exceedingly objectionable, as enabling parties to bring their cases to this Court by piecemeal."

In *Nealan* v. *Ring*, 193 Pac. 747; 98 Ore. 490, which on the facts will be found strikingly similar to the facts in the case at bar, the case was argued October 6, 1920, and the opinion handed down later, the court declining to consider the testimony because it had not been filed with the clerk of the Circuit Court, or authenticated by the Circuit Judge. After the opinion, appellant secured the certification, and moved for a rehearing on the merits. The court held that the application came too late.

In *Tunnicliff* v. *Watts*, 210 S. W. (Mo.) 876, the record was deficient in certain formal aspects. A motion to dismiss the appeal or affirm the judgment was made, and sustained, and the judgment affirmed. Appellant asked leave to amend, but it was held that the motion to amend came too late after a motion to dismiss or affirm.

In *Smith* v. *Gustin*, 81 N. E. 722; 169 Ind. 42, the court said:

> "The rule has been long established that this court will not grant a rehearing to enable a party to correct or perfect a record."

SUPREME COURT OF THE UNITED STATES.

No. 194.—October Term, 1927.

Barber Asphalt Paving Company, Petitioner, vs. Standard Asphalt & Rubber Company.	On Writ of Certiorari to the United States Circuit Court of Appeals for the Seventh Circuit.

[January 3, 1928.]

Mr. Justice Van Devanter delivered the opinion of the Court.

The principal questions to be considered relate to the steps whereby evidence in a suit in equity in a district court may be made a part of the record for the purpose of an appeal, and to the action which the appellate court appropriately may take where the requirements in that regard are not followed. To show how the questions arise and the circumstances bearing on their solution the case will be stated with some detail.

The suit was brought January 30, 1915, to obtain an injunction against the infringement of letters patent and to recover profits made out of the infringement. The answer put in issue the plaintiff's title, the validity of the letters patent and the infringement. A hearing, at which evidence both oral and documentary was received, resulted, February 20, 1917, in an interlocutory decree whereby the issues were resolved in the plaintiff's favor and the cause was referred to a master with directions to ascertain the profits, to take evidence to that end and to report his findings "together with all evidence" taken before him. See 240 Fed. 749. The decree recited that the evidence underlying it was "filed" in the cause.

The defendant neither did nor could appeal from the interlocutory decree; for it did not grant an injunction, the letters patent having expired shortly before it was entered. To have it reviewed the defendant must await the final decree and appeal from that,

which would bring under review the entire proceedings, if challenged in the assignments of error.

Up to and including the entry of the interlocutory decree the proceedings were had while Judge Humphrey was holding the district court. He died June 14, 1918, while the master was proceeding with the accounting; and the subsequent proceedings in that court were had before Judge FitzHenry.

January 6, 1921, the master filed his report finding that the defendant's profits from the infringement were $650,044.83 and recommending that the plaintiff recover that sum. When filing the report the master also turned in the evidence taken before him, but omitted to say so in the report. He should have attached to the evidence a certificate stating that it was the evidence and all the evidence taken before him, but he failed to attach any certificate. The clerk, although receiving the evidence as turned in by the master, omitted to put a filing endorsement thereon.

Both parties filed exceptions to the report, the exceptions purporting to be based on the evidence and treating it as duly reported. A hearing on the exceptions resulted, April 30, 1924, in a final decree overruling the exceptions, confirming the report and awarding the plaintiff the sum reported by the master with interest and costs. In a memorandum opinion explaining the rulings the court indicated that the evidence taken by the master was before it and was extensively examined.

July 1, 1924, the defendant sought and the district judge allowed an appeal from the final decree to the Circuit Court of Appeals. Both that decree and the interlocutory decree were challenged in the assignments of error—each as being without support in and contrary to the evidence underlying it.

At the appellant's instance the time for filing a transcript of the record in the Court of Appeals was enlarged a year by successive orders of the district judge. During that period the appellant, on its own responsibility, prepared, printed and lodged with the clerk for certification a proposed transcript. This transcript was in nine volumes, about 5,000 pages, and consisted mostly of evidence set forth without any approval or authentication by the court or judge and without appreciable attempt at condensation or narration, save as some exhibits may have been omitted.

April 24, 1925, after lodging the proposed transcript with the clerk and delivering a printed copy thereof to the appellee, the

appellant filed with the clerk and served on the appellee a praecipe designating what should be included in the certified transcript—the designation conforming to what the appellant had embodied in the transcript proposed. The praecipe described the evidence to be included as "printed pages 24 to 1215 inclusive", which were the pages of the proposed transcript purporting to set forth the evidence underlying the interlocutory decree, and certain other "printed pages", which were the pages of that transcript purporting to contain the evidence taken before the master and accompanying his report. The appellee made no objection to the praecipe, to the designation of the evidence or to the form in which the same was set forth at the pages indicated; nor did it file a praecipe for anything more. Accordingly, the clerk, on June 24, 1925, attached to the proposed transcript his certificate stating that it was true, complete and prepared in accordance with the praecipe.

July 3, 1925, the appellant filed the certified transcript in the Court of Appeals, but omitted to file therewith the requisite copies. These were supplied four months later.

November 3, 1925, the appellant requested the Court of Appeals to divide the argument on the appeal by first hearing and deciding the questions arising on the interlocutory decree and, if it was sustained, then hearing and deciding the questions arising on the final decree. The appellee objected to this, and in that connection suggested (a) that all evidence appearing in the transcript be stricken therefrom because not stated in simple and condensed form and, where consisting of the testimony of witnesses, not stated in narrative form, but set forth in full in the original form contrary to rule 75b of the Equity Rules, and (b) that the evidence received at the hearing which resulted in the interlocutory decree be stricken from the transcript for the further reason that it was not approved or authenticated by the court or judge as required by that rule. November 9, 1925, the request to divide the argument was denied and consideration of the suggestions that the evidence be stricken from the transcript was postponed until the hearing on the merits.

January 29, 1926, at the appellant's instance, the Court of Appeals remitted the transcript to the district court to enable it to "amend its certificate of evidence" and to make "such further amendment, correction or amplification as the district judge may, upon his attention being brought to the matter, see fit to make

respecting the certification of the record." In this order the Court of Appeals expressly retained jurisdiction of the appeal, directed that the transcript when corrected be returned to that court and reserved all questions respecting the validity and effect of the correction until the hearing on the merits.

March 29, 1926, the appellant presented to the district court a motion asking it to "append its certificate of evidence" to the remitted transcript and further to amend, correct or amplify the certification of the record as it might deem proper. The appellee had due notice of this motion, appeared specially for the sole purpose of challenging the court's power to grant the motion, and declined to take any further part in that proceeding. The court called and examined some of its officers respecting the identity of the evidence received and filed at the time of the hearing before Judge Humphrey which resulted in the interlocutory decree, and found from such examination that that evidence was truly and completely set forth in the transcript. The court further found that specified exhibits were put in evidence before the master and reported by him; and, supposing that they were not included in the original transcript, it ordered that they be embodied in a supplemental transcript. Neither party made any effort at that time to have the evidence condensed or the testimony put in narrative form. On the contrary, it appears from the court's order that the appellant requested and the court directed that "all the testimony in this cause be reproduced in the exact words of the witnesses, and not in narrative form." The order further said: "And pages 24 to 4872, inclusive, of the transcript of record heretofore certified by the Clerk of this Court on June 29, 1925, amended and supplemented as herein directed, are hereby approved as a true, complete and properly prepared statement of the evidence." There was no other approval or authentication by the court or judge.

April 13, 1926, the original transcript was returned to the Court of Appeals accompanied by a supplemental transcript, designated volume 10, setting forth the later proceedings in the district court and the exhibits which it directed to be included as part of the evidence taken and reported by the master.

October 6, 1926, the cause was heard on the merits in the Court of Appeals. At this hearing the appellee renewed its prior suggestions that the evidence be stricken from the transcript because

not brought into the record conformably to rule 75b of the Equity Rules, and also insisted that the situation had not been changed by the later proceeding in the district court because (a) that court was at the time without any power to act in the matter and (b), if having power, had not conformed its action to the requirements of that rule.

December 13, 1926, the Court of Appeals held that the evidence had not been brought into the record in accordance with rule 75b, and for that reason declined to examine the evidence and affirmed the decree of the district court. 16 Fed. (2d) 751. The appellant promptly sought a rehearing on the ground, among others, that, if rule 75b applied and had not been followed, the circumstances were such that the court, in the exercise of a sound discretion, should not have affirmed the decree but should have remitted the transcript to the district court so that compliance with the rule might be had. A rehearing was denied, and on the appellant's petition a writ of certiorari was granted by this Court to the end that it might consider and determine the procedural questions involved.

To avoid possible confusion in the further reference to the parties they will be designated as they were in the Court of Appeals—the petitioner as appellant and the respondent as appellee.

In the federal courts evidence received in a suit in equity usually has been regarded as becoming a part of the record only where made so by some act of the court or judge. In the beginning either of two acts sufficed for the purpose. One was to make an appropriate recital in the decree. The other was to state the evidence or its substance in a separate writing which was to be filed and deemed a part of the record. Both courses were sanctioned by a provision in the first practice statute.[1] That provision remained in force only a short period, but the practice continued to be recognized.[2]

In 1912 the matter was dealt with in the Equity Rules, which rest largely on statutes[3] investing this Court with power "generally

[1]Act September 24, 1789, c. 20, sec. 19, 1 Stat. 83.

[2]Conn v. Penn, 5 Wheat. 424; Blease v. Garlington, 92 U. S. 1; Watt v. Starke, 101 U. S. 247, 250; Southern Building & Loan Assn. v. Carey, 117 Fed. 325, 333-334; 2 Street Fed. Eq. Pr. secs. 1629, 1630; Railway Co. v. Stewart, 93 U. S. 279, 284.

[3]Rev. Stat. secs. 913, 917; U. S. Code, Title 28, secs. 723, 730.

to regulate the whole practice to be used in suits in equity" in the district courts. Rule 75b (226 U. S. Appendix 23) provides:

"(b) The evidence to be included in the record shall not be set forth in full, but shall be stated in simple and condensed form, all parts not essential to the decision of the questions presented by the appeal being omitted and the testimony of witnesses being stated only in narrative form, save that if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness. The duty of so condensing and stating the evidence shall rest primarily on the appellant, who shall prepare his statement thereof and lodge the same in the clerk's office for the examination of the other parties at or before the time of filing his praecipe under paragraph a of this rule. He shall also notify the other parties or their solicitors of such lodgment and shall name a time and place when he will ask the court or judge to approve the statement, the time so named to be at least ten days after such notice. At the expiration of the time named or such further time as the court or judge may allow, the statement, together with any objections made or amendments proposed by any party, shall be presented to the court or the judge, and if the statement be true, complete and properly prepared, it shall be approved by the court or judge, and if it be not true, complete or properly prepared, it shall be made so under the direction of the court or judge and shall then be approved. When approved, it shall be filed in the clerk's office and become a part of the record for the purposes of the appeal."

The appellant contends that this rule can have no application where the appeal is to a circuit court of appeals, first, because the Equity Rules rest on statutes which provide for regulating the practice in the district courts, not that in the circuit courts of appeals, and, secondly, because another statute has special and exclusive application where the appeal is to a circuit court of appeals. We think the contention must fail for reasons which will be stated.

It is true that the Equity Rules are based largely on statutes which authorize this Court to regulate the practice in suits in equity in "the district courts". But plainly rule 75b is within that authorization. It prescribes the form and manner in which the evidence in suits in equity in those courts may be made a part of the record therein. The prior practice had varied and experience had shown there was need for uniformity and simplicity. The rule was adopted to meet that need. That it is intended, like the prior practice, to pave the way for an appellate

review extending to the evidence does not make it any the less a regulation of proceedings which are had in the district courts. Its status, therefore, is not different from that of rule 71, which requires that decrees be put in direct and simple form and be free from any recital of the pleadings, evidence, etc.

The statute which is cited as having special and exclusive application was enacted February 13, 1911, c. 47, 36 Stat. 901, and is now sections 865 and 866, Title 28, U. S. Code. It relates to the manner of making up and printing the transcript of the record, in every kind of action or suit, where review is sought in a circuit court of appeals. The provision particularly cited speaks first of the printing and then says that the transcript shall include, among other things, "such part or abstract of the proofs as the rules of such Circuit Court of Appeals may require, and in such form as the Supreme Court of the United States may by rule prescribe." The provision is loosely phrased, but its meaning is fairly plain. What it says about including proofs doubtless refers to evidence which has become a part of the record in the district court through a settled bill of exceptions where the case is at law,[4] or through an approved statement where the case is in equity. Nothing in the provision evinces a purpose to dispense with either mode of authenticating and preserving the evidence as a part of the record. The concluding clause, "in such form as the Supreme Court of the United States may by rule prescribe," obviously reserves to this Court some power of regulation and is not lightly to be put aside. The appellant treats it as relating merely to the form in which the printing is to be done. But the context makes for a broader application. The direction for the printing and that for making up the transcript are both in a single sentence which ends with that clause. Taken in its natural sense the clause qualifies both directions. We think that is the sense intended and that the clause makes it rather plain that there was no purpose to withdraw from this Court the power of regulation on which rule 75b depends. The appellant cites our decision in *Rainey* v. *Grace & Co.*, 231 U. S. 703, as if it were to the contrary. But this is a mistaken view. The question presented there related to the printing of the transcript and to the fees to be charged in

[4]See sec. 776, title 28, U. S. Code; Rule 7, 266 U. S. 657; Mussina v. Cavazos, 6 Wall. 355, 363.

that connection. Nothing was decided or said respecting the question presented here.

The appellant next, assuming the rule applies, contends that it was complied with. We perceive no tenable basis for this contention.

Up to the certification of the original transcript nothing required by the rule had been done. In that situation the evidence should not have been included.

After the transcript was remitted to the district court with a view to action under the rule, that court entered an order (a) directing, at the appellant's request, that "all the testimony" be stated "in the exact words of the witnesses," and (b) approving the particular pages of the transcript where the evidence, oral and documentary, was set forth—4849 pages in all—"as a true, complete and properly prepared statement of the evidence." This order is the asserted basis of the contention that the rule was complied with. But it does not support the contention. It proceeds on the erroneous assumption that, where either party so requests, the court may dispense entirely with the condensation and narration of the testimony of witnesses and direct that it be stated in full in their words. The rule says that the evidence "shall not be set forth in full" but shall be stated "in simple and condensed form," that all that is not essential shall be omitted, and that the testimony of witnesses shall be stated "only in narrative form, save that if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness." Manifestly the excepting clause is intended to have only a limited operation and to be applied in the course of the required condensation and narration, as special occasion therefor arises. Its purpose is to provide for the exact reproduction of such parts of the testimony as need to be examined in that form to be rightly appreciated. As to other parts of the evidence it neither qualifies nor relaxes the direction for condensation and narration. *Buckeye Cotton Oil Co.* v. *Ragland*, 11 Fed. (2d) 231, 232.

The transcript shows that in fact no part of the evidence was condensed or put in narrative form, and also that as to nearly all of the testimony there was no occasion for reproducing it in the words of the witnesses. Had the rule been complied with the evidence would have been reduced in volume two-thirds or more;

and had this work been done at the outset the charge for printing would have been proportionally less—probably more than enough to offset the cost of compliance. One object of the rule is to eliminate immaterial and redundant matter and to effect such a condensation and statement of what remains as will simplify and facilitate the task of counsel in presenting, and of the court in determining, questions turning on the evidence. Here the requirement looking to the attainment of that object was wholly neglected.

The appellant invokes the statute which directs that technical errors and defects not affecting the substantial rights of the parties be disregarded.[1] But the error here is not merely abstract or formal. It consists of a total failure to observe an important regulation in a matter of substance. Nor is it harmless. It makes the case difficult of presentation by counsel and materially augments the task of examination and decision by the court. Repetition of it in other cases would soon congest the dockets of the appellate courts. To condone such an error is not, we think, within the purpose of the statute.

The next question is whether there were circumstances which should have impelled the Court of Appeals in the exercise of a sound discretion to remit the transcript to the district court again so that full compliance might be had with the rule. The pertinent circumstances are not in controversy, save as the parties interpret them differently.

As a remission which necessarily must be futile would not be proper, we shall notice at the outset three matters which the appellee insists would prevent a remission from being effective. The first is that jurisdiction of the cause passed from the district court to the Court of Appeals when the appeal was perfected. From this it is argued that the district court would be without power to take any action in the cause during the pendency of the appeal. We recognize the principle intended to be invoked but think it does not go so far. The Court of Appeals by remitting the transcript for compliance with the equity rule would be in effect directing action in aid of its appellate jurisdiction; and the district court in conforming to the direction would be recognizing rather than encroaching on that jurisdiction. The second matter is that the term of the district court at which the decree was entered expired

[1] Act February 26, 1919, c. 48, 40 Stat. 1181; U. S. Code, Title 28, § 391.

shortly thereafter without any reservation of further time for settling a statement of the evidence. This, it is said, put an end to the district court's power to act under the equity rule. We think otherwise. Power to act under that rule is not confined to the term at which the decree is rendered, nor to a period allowed during that term. Such a restriction was not recognized in the early practice and is not expressed in the rule. Other rules, such as 69 and 72, show that where a restriction of that nature is intended it is expressed. This interpretation of the rule has been adopted by the Circuit Courts of Appeals so far as they have spoken on the subject.[6] The third matter is that by reason of the death of Judge Humphrey who presided at the interlocutory hearing, the master's failure to attach a certificate to the evidence taken before him and the clerk's failure to place a filing endorsement thereon the usual and favored means of identifying the evidence are not available. We think what is said in the forepart of this opinion shows that other adequate means of identification are at hand. The district court experienced no difficulty in this regard when it made the order of approval under the first remission.

We come then to the circumstances bearing on the question of discretion. The rule was promulgated in 1912. The requirement respecting condensation and narration was not drawn from the earlier practice but was new. Its enforcement was slowly approached. For a time transgression was indulgently overlooked. Then this Court and some of the Circuit Courts of Appeals, having called special atention to the requirement, began to give effect to it.[7] The Court of Appeals for the Seventh Circuit continued to be uniformly indulgent until it came to decide this case. There may have been some scolding before, but not in the court's opinions. It was a common practice in that circuit for the judges, circuit as well as district, to direct that all the testimony be reproduced in the words of the witnesses. In so directing in this case the district court followed that practice. Of course the practice was in contraven-

[6] *In re* General Equity Rule 75, 222 Fed. 934; Strucett v. Hill, 269 Fed. 247; Sussex Land & Live Stock Co. v. Midwest Refining Co., 294 Fed. 597.

[7] Louisville & Nashville R. R. Co. v. United States, 238 U. S. 1, 10-11; Newton v. Consolidated Gas Co., 258 U. S. 165, 173; Houston v. Southwestern Bell Telephone Co., 259 U. S. 318, 325; Patterson v. Mobile Gas Co., 271 U. S. 131, 132; Bristow Mfg. Co. v. Close, 280 Fed. 297, 299; Bonanza Petroleum Co. v. Rook, 295 Fed. 944, 946.

tion of the equity rule and the Court of Appeals was right in giving effect to the rule by declining to examine the mass of evidence wrongly reproduced. But the court did not stop there. It also affirmed the decree, because of the transgression—and this notwithstanding the transgression was largely due to its own course of action. That was a very severe penalty to impose for action which had the court's implied sanction up to that time. The fact is not overlooked that after the original transcript was filed the appellee called attention to the requirement for condensation and narration and asked that the rule be given effect. But regard also is had for the fact that when the transcript was remitted the district court directed the reproduction of the testimony without condensation or narration.

When the particular situation in the Seventh Circuit is considered, we think it is apparent that the Court of Appeals passed the bounds of a sound discretion in affirming the decree, because of the transgression, and that, upon proper terms, it should have remitted the transcript to the district court to the end that a further opportunity might be had to comply with the equity rule. Such a remission should still be made, care being taken to require that the proceedings under the rule be conducted with reasonable dispatch.

As the rule places the duty of condensing and narrating the evidence primarily on the appellant, and most of the proceedings since the appeal have been attributable to the failure to discharge that duty, the appellant should be required, as one of the terms of the remission, to pay into the Court of Appeals five thousand dollars for the benefit of the appellee by way of reimbursing it for counsel fees and expenses incurred in securing the elimination of the irregular and objectionable statement of the evidence; and also to pay, as one of such terms, the costs in this Court and those in the Court of Appeals up to the time our mandate reaches that court.

The decree of the Circuit Court of Appeals accordingly is reversed and the cause is remanded to that court for further proceedings in comformity with this opinion.

Decree reversed.